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TODAY: STYLE Hi-Tech Street of Gear, Page 10

EU Currency: New Dissent

Timetable Is Questioned

Compiled by Our Staff From Dispatches

ROME — A growing number of prominent Europeans are raising doubts about the wisdom of going forward with European monetary union.

In recent days, Italian business and political leaders and a leading German economist have all questioned the wisdom of going ahead with the plan to create a single currency for most members of the European Union.

In Italy, it was suggested that the country should solve its unemployment problem before cutting its budget deficit, strong comments in a nation that has traditionally been one of the biggest supporters of the proposed European monetary union planned for 1999.

Cesare Romiti, chairman of Italy's largest private-sector company, Fiat SpA, said over the weekend that Italy should put job creation ahead of meeting the criteria for monetary union. Mr. Romiti's comments raised eyebrows because Italian industrialists have traditionally been among the most enthusiastic supporters of joining EMU at the earliest opportunity.

Then, Deputy Prime Minister Walter Veltroni said the deadline for monetary union should be delayed to allow Europe to emerge from recession.

In an interview with the daily Corriere della Sera, Mr. Veltroni said Italy must not be "tempted to unilaterally break away from Maastricht" because the sacrifices of recent years would be wasted. However, "there is a novelty, the recession in Europe," Mr. Veltroni said, adding that there may be a need for EU nations to "to sit around a table and rediscuss the criteria, their interpretation or the schedule for the monetary union."

Mr. Veltroni said Italy would not call for a renegotiation of the criteria. But he said he personally is in favor of a proposal made by former President Valery Giscard d'Estaing of France to integrate into the convergence criteria "the cost of recession." Italy's opposition leader and former prime minister, Silvio Berlusconi, said in an interview Monday with the Corriere della Sera that he approved of Mr. Veltroni's comments.

In an interview published Monday in Die Welt, the German economist Herbert Hax said the European Union should consider postponing the start of monetary union until at least five countries, and preferably more, meet conditions to join. Mr. Hax is chairman of the council of economic advisers known as the five wise men.

Mr. Hax said the question of delaying monetary union should not be brushed aside out of fear of how financial markets might react.

"Many ask: 'How will the financial markets react to a delay?' But my counterquestion is: 'How will the financial markets react when there is a

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Kim Chul Hee/Reuters

Former Presidents Roh Tae Woo, left, and Chun Doo Hwan being sentenced Monday in a Seoul court.

Chun Is Sentenced To Death in Seoul

Business Chiefs Get Prison Terms Along With Another Ex-President

By Sandra Sugawara
Washington Post Service

SEOUL — A South Korean court on Monday sentenced former President Chun Doo Hwan to death after finding him guilty on mutiny, treason and corruption charges. His successor as president, Roh Tae Woo, was sentenced to 22½ years in prison on similar charges.

Mr. Chun and Mr. Roh, standing in short-sleeved blue prison garb before a three-judge panel, listened grimly in a courtroom packed with 200 people as the presiding judge read out the verdict and sentences.

Within hours of those two verdicts, one of the country's most prominent businessmen, Kim Woo Choong, the globe-trotting founder and chairman of Daewoo Group, was sentenced to two years in jail for giving bribes to Mr. Roh.

A total of nine business executives representing some of South Korea's largest companies were found guilty of bribing Mr. Roh. Four, including Samsung's chairman, Lee Kun Hee, received suspended sentences, meaning they will not have to go to jail. (Page 11)

The two former South Korean presidents were found guilty of amassing hundreds of millions of dollars in illegal political funds during their terms. Mr. Chun was fined $270 million and Mr. Roh $350 million.

The verdict represents an ignominious ending for the two former army generals who ruled South Korea during the 1980s and early 1990s and were instrumental in shaping its emergence as an Asian economic powerhouse.

Indeed, the spectacle of the two former rulers, dressed in prison uniforms like common criminals and standing powerless before the three judges, riveted the nation. South Koreans gathered around television sets in homes, stores and offices to watch the unfolding of a drama that has become a symbol of the political transformation that South Korea has undergone in the past three years.

The trial has been viewed by many South Koreans less as a hearing on the specific crimes committed more than a decade ago by aging military leaders than as a pivotal step toward the establishment of the rule of law by a country trying to cleanse itself of its brutal and corrupt past. For their part, Mr. Chun and Mr. Roh have criticized the trial as a political circus by the current president, Kim Young Sam, to boost his popularity.

The two men have a week to appeal the sentences, although there was speculation Monday that they will not, given the widely held belief that President Kim will pardon them. Such a move could gain Mr. Kim, the first South Korean president in three decades without a military background, support among political conservatives. It also would spare the country the possibly divisive anguish of having its former presidents severely punished, analysts said, noting that many people here feel that the shame of a conviction would be punishment enough for the two men.

Although prosecutors had requested the death sentence for Mr. Chun, some

See SENTENCE, Page 4

Trials Signal South Korea's 'New Belief In Democracy'

By Sheryl WuDunn
New York Times Service

SEOUL — South Koreans variously rejoiced and fumed as word spread across the country that a court Monday had sentenced one former president to death and another to 22½ years in prison, in a landmark case that underscores how far this nation has come from the era of military rule the two men represented.

Many complained about the sentences, saying they were politically motivated or unfair, but no one denied the distance that South Korea has traversed since its transition to a civilian nation with a democratically elected president in 1993.

"It is long overdue, but we Korean people have finally achieved justice today — it is the opening of a new era," said Lee Shin Bom, a one-time student who was arrested and tortured under the regime of Chun Doo Hwan, who seized power beginning with a coup in 1979. He now has been sentenced to death.

Mr. Lee, who serves in the National Assembly, added: "Korean people have begun to have a new belief in democracy, to see that democracy could finally take root in this country."

The judgments of Mr. Chun, 65, and Roh Tae Woo, 63, who led South Korea from 1988 to 1993, along with others given to business leaders Monday in a mass sentencing, may close a chapter on a time of turbulence in South Korean history.

"I feel sorry for Chun as a person, but this is a punishment from heaven," said Kang Min Jo, who became a leader in a victims' organization after his son was killed in demonstrations under Mr. Roh. "It's a good thing Chun was sentenced to death. There's no room for leniency

See KOREANS, Page 4

Whither the Democratic Party?

As Convention Opens, Unity Conceals a Debate on Direction

By Thomas B. Edsall and Dan Balz
Washington Post Service

CHICAGO — Behind the Democrats' concerted message of unity at their convention in Chicago, which opened Monday, looms a debate over the direction of the party, one that will begin quietly here and burst into public view immediately after the November election, no matter who wins the presidency.

Thanks to Speaker Newt Gingrich, Republican of Georgia, and the Republican House freshman class, the Democrats have united around a common enemy for the fall campaign. In the process, they have conveniently set aside deep differences over economic policy, trade policy and social policy until after the election.

"Gingrich has done what no Democrat could do," said Robert Borosage, co-director of the Campaign for America's Future, a liberal Democratic group. "He organized the party. He mobilized everybody and organized everybody against an alien threat."

But the celebration in Chicago this week can only mask, not erase, the challenges that President Bill

NEWS ANALYSIS

Clinton and his fellow Democrats face in trying to shape their own future as a party: The president's strong standing in the polls against the Republican nominee, Bob Dole, stands in contrast to the much weaker support that his party enjoys among the elect-

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Gore Sets a New Standard for the Vice Presidency

By David S. Broder
Washington Post Service

CHICAGO — When Jack Kemp was chosen as the No. 2 man on the Republican ticket, he told reporters in San Diego that "my model" for the role he hopes to play in a Bob Dole administration "is Al Gore."

Not Dan Quayle, who struggled for four years to overcome the initial impression that he was a lightweight. Not George Bush, who, in the cutting phrase of the cartoonist Garry Trudeau, "put his manhood in a *blind trust" when he joined Ronald Reagan.*

Instead, Mr. Kemp chose Mr. Gore, a friend with whom he served for eight years in the House and the man he is scheduled to debate on Oct. 2 in what one Gore associate said "a lot of people will view as a preview of the 2000 presidential election."

That Mr. Gore, 48, aims to be the next Democratic president is the universal assumption within the political community. But it is what Mr. Gore has done in the last four years — both in government and in politics — that has raised him to a status no other vice president has attained.

"His voice is heard on every policy decision the president makes," said one senior White House staff member, "and there are large areas of policy which the president effectively has ceded to him."

A former member of the staff of Vice President Walter Mondale, who was the first in his position to have a White House office and an open invitation to join President Jimmy Carter at every Oval Office meeting, said that "if Fritz Mondale was the breakthrough in terms of access, Gore is a breakthrough in terms of across-the-board influence and absolute control of some issues."

A Clinton intimate and influential adviser said, "Gore is the dominant force in the administration, aside from the president."

"It would be immodest for me to say it that way," Mr. Gore said in an interview last week. "I feel very good about the fact that the president has asked me for advice on the full range of issues he deals with. And in some areas he has asked me to play a more forward-leaning role. Those include the environment, reinventing government, communications and technology policy, empowerment zones in the cities, U.S.-Russian relations, family policy and a few others."

That is a breathtaking catalogue — but hardly exhaustive. Cabinet members and White House staff say Mr. Gore is a vocal participant in the debates about every important administration policy and that Mr. Clinton gives every evidence of taking his opinions seriously. But much of the service he renders is behind-the-scenes. As one top White House aide said, "He does more to make this place work than anyone knows."

That's perhaps expected on domestic matters, such as his quiet role in getting the television networks to set ratings for their shows and to broadcast more "family-friendly" entertainment. But it's also true in foreign policy.

Early in the administration, Mr. Gore was asked, as previous vice presidents had been, to watch over the space program, especially the controversial space station project. He jumped in and was able to engineer the breakthrough agreement with Prime Minister Viktor Chernomyrdin for U.S.-Russian cooperation in space.

Their agreement has saved billions in development costs and advanced the timetable for the permanent orbital laboratory. According to Representative Robert Walker, a Republican from Pennsylvania, chairman of the House Science Committee and a close friend of Mr. Kemp's, "The vice president has played an important role in the survival of the space station, by tying it to more important economic and political relations with the Russians. We don't always agree, but I enjoy him, because he likes new ideas and has a very keen interest in the future."

The semiannual Chernomyrdin-Gore meetings, set up by Mr. Clinton and President Boris Yeltsin of

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CAMPAIGN '96 **Page 3: How the delegates size up Clinton • Suffering and sacrifice in convention spotlight • President scorns 'abuses' of Senate inquiry**

AGENDA



Jean-Christophe Kahn/Reuters

Freed by French authorities, African hunger strikers expelled last week from a church sanctuary await rulings on residence papers. Page 5.

Sudanese Jet Hijacked to Cyprus

LARNACA, Cyprus (AP) — A Sudanese jetliner with 186 passengers and 13 crew members was hijacked Monday and diverted to Cyprus, Egyptian aviation officials said.

The police surrounded the plane when it landed at Larnaca International Airport, according to airport officials.

The plane, an Airbus 310, had been en route to Amman, Jordan, from the Sudanese capital of Khartoum, Egyptian aviation officials said.

The plane was ordered to fly to Cyprus about 25 minutes after it left Khartoum, an aviation official at Cairo airport said. It was unclear how many hijackers were aboard or whether they were armed.

$14.4 Billion Deal Leads Buyout Flurry

WorldCom Inc. said Monday it would buy MFS Communications Co. for $14.4 billion, in the fifth largest takeover in U.S. history.

The news topped a day of takeover announcements in the communications, medical, financial and insurance sectors. But the activity failed to lift stocks, which fell on lingering fears of higher interest rates. (Page 11)

Jobless in Morocco, Looking North

By Marlise Simons
New York Times Service

TANGIER — Some nights, Farid Ahman walks along the Moroccan shore at a place where Europe is visible from Africa and counts the days before he will reach the lighthouses winking across the water on the coast of Spain.

For four years, the 30-year old Moroccan has tried in vain to get a visa. But in the basement where he works, hauling logs and firing the ovens of a public steam bath, Mr. Ahman confides that he has saved almost enough to pay a boatman to smuggle him across.

The dangerous, clandestine trip across the Strait of Gibraltar to Spain costs $600, a fortune for Mr. Ahman, who earns $4 a day. It will also be an unnerving gamble. If the police catch him, months of working and saving will be lost.

"My brother did it," he said, sounding determined. "My cousins did it. They're in France, and they'll help me along."

Every summer, above all in August, thousands of North Africans board precarious little fishing boats and brave the treacherous currents at the mouth of the Mediterranean, as well as Spanish patrol boats, to reach Europe's coveted job market.

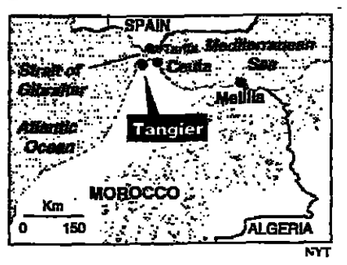
They are Moroccans and Tunisians seeking a better living and Algerians fleeing their country's political violence. North Africans have found work, sent home their savings and often settled down in Western Europe since the 1950s. Close to 1 million live just in France.

But today, as Europe grapples with a long recession and a rising anti-immigrant mood, new workers, even those willing to do the worst-paid jobs, are being denied visas. From Denmark to Spain, European governments have been deporting undocumented foreigners. Hence the illicit migration trail by sea. Police in Spain say the immigrant traffic across the strait has been growing for several years.

Tangier, a port that has profited from its strategic position for centuries and is practiced in all manner of hustles, is the center for immigrant smuggling. Mr. Ahman said he goes to a certain teahouse in the warren of alleys near the Gran Zocco market. There he has already made contact with the people who will smuggle him.

While deals are made in town, the small fishing vessels, usually with just a single outboard engine, leave from farther up the jagged coast.

Boats have capsized and passengers have drowned, but no one knows how many. Although the strait is just 10 miles wide at its narrowest point, it is notorious for its powerful currents and sudden wind funnels. The word in



NYT

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Newsstand Prices

Bahrain	1.000 Din	Malta	55 c.
Cyprus	C. £ 1.00	Nigeria	125,00 Naira
Denmark	14.00 D.Kr.	Oman	1.250 Rials
Finland	12.00 F.M.	Qatar	10.00 Rials
Gibraltar	£ 0.85	Rep. Ireland	IR £ 1.00
Great Britain	£ 0.90	Saudi Arabia	10.00 R
Egypt	£E 5	S. Africa	R12 + VAT
Jordan	1.250 JD	U.A.E.	10.00 Dirh
Kenya	K. SH. 150	U.S. Mil. (Eur.)	$ 1.20
Kuwait	600 Fils	Zimbabwe	Zim.$30.00

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Dow Jones: Down 28.85, 5693.89

Trib Index: Down 0.64%, 138.10

The Dollar

New York,	Mon. close	previous close
DM	1.4788	1.478
Pound	1.5577	1.5566
Yen	107.705	108.15
FF	5.052	5.05

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India's Experiment / **Promise and Failure**

Empowerment of Women

By Kenneth J. Cooper
Washington Post Service

RAGEHALLI, India — As elected leader of her village here in southern India, Lakshamamma launched a program to give young children advanced preparation for starting school, something never offered by her male predecessors even though government financing was available for the asking. The program costs the village of Ragehalli about $2 a month for building maintenance.

"That is for the future. They will want to learn," said Lakshamamma, an illiterate mother of three who never attended school, in explaining the new priority in her village about 30 kilometers south of the capital of Karnataka state, Bangalore.

Far to the north, in western Uttar Pradesh state, Rambeti is also leader of her village's local council. Uneducated and the mother of seven, she did not leave the house much before her election last year and she still does not. She went to her first council meeting, but since then her husband has gone in her place. "He is the one who is educated. What do I know? I am not interested," Rambeti said in her home in Biharipur. "I don't know anything beyond my doorstep."

Lakshamamma and Rambeti — neither of whom uses a surname — represent both the promise and the failure of the world's broadest mandate to bring women into political power, a 1993 amendment to India's constitution that, among other things, reserves for women a third of the seats in local councils called *panchayats*. Like Lakshamamma, some elected women assume power. But others are little more than proxies who represent the views of the powerful men who got them elected.

The quota so far has ushered an estimated 800,000 women into what had been an overwhelmingly male preserve, a number that will rise to 1 million by the end of next year when the amendment is fully implemented.

The broad reach of the quota has lifted into positions of respect some women who had been subordinate or scorned because of their traditional occupations.

The effect of the law is particularly pronounced in rural India, where about 70 percent of the nation's 934 million people live with conservative social customs. It was a social advance, for instance, for a cloistered woman like Rambeti to leave the house even once to sit in the company of men not related to her by blood or marriage.

Until the quota was imposed, it was unusual for village women to participate in civic life or express opinions and doing so has made some eager to learn English, the language of India's elite. Some girls now aspire to get educated and get elected.

"Undoubtedly, the reservation for women in panchayat on the whole has been a very positive experience because for the first time all through the country you have large sections of women who have been introduced to the political process," said Brinda Karat, general secretary of the All India Democratic Women's Association.

But male resistance and the traditionally low status of women frequently have combined to nullify the power that women council members were supposed to have acquired, particularly in northern states such as Uttar Pradesh, Rambeti's home state.

The power in villages, usually held by men of property and the locally dominant caste, has in some places accommodated to the constitutional mandate by handpicking uneducated women as proxies for their husbands, fathers or other male relatives. Rambeti's husband, for instance, had been considered Biharipur's informal "headman." He coaxed his wife into running when no other candidates came forward to seek a seat reserved for women.

In other villages, male civil servants who administer village councils and control the flow of development funds have retained power behind the scenes. Then there is the age-old problem that frustrates many women: The men on the councils simply do not listen to them. And in a small number of publicized cases, more aggressive men have reacted violently to the nation's move to increase women's political power by raping or stripping naked their new representatives.

"Nobody wants to give up power. Men are losing power. That is why you find them reacting so sharply," said Ranjana Kumari, with the Center for Social Research in New Delhi. Supporters of the quota acknowledge that it has brought uneven results but they insist that "proxy politics" will diminish as more women are trained to perform political duties and take on public responsibilities.

"It's quite early. It's a mixed experience," said Veena Nayyar, president of Women's Political Watch, a lobbying group. "There are cases where women have come up and have taken charge and are able to provide leadership."

When it comes to enhancing women's power, India has quite a way to go. A preference for boys and the killing of girls in their infancy have created a male-dominated society where in the population at large there are only 927 women for every 1,000 men, and the gap between the literacy rates of men and women is one of the world's widest. Almost three times as many men as women have paid employment. Rural women are burdened with the unpaid labor of working the fields, cleaning house, caring for children, fetching water, cooking, gathering cattle fodder and patting cow dung into round fuel cakes.

"If I don't go to meetings, it is because I am a woman," said Gheesi Bai, a village council member in the central state of Madhya Pradesh. "There's so much housework, if I start doing this, who would do my work?"

THE DEPTH of sexual discrimination in India and the prospect of attracting women's votes made it easy for Parliament to pass the constitutional amendment in December 1992. The required 50 percent of state legislatures ratified the amendment within three months. Besides the one-third quota for women, representation of lower castes was mandated in proportion to their presence in the local population. Quotas are not new to India. They were written into the constitution of 1950 for lower castes and Anglo-Indians in Parliament, state legislatures, government jobs and college admissions.

Mohandas K. Gandhi hoped to revive in independent India what he glorified as "ancient republics" and "true democracy realized." But the most prominent female politician in India's history, Indira Gandhi, who was prime minister for nearly 15 years before her assassination in 1984, did almost nothing directly to bring more women into politics. She herself came to power as the daughter of India's first prime minister, Jawaharlal Nehru.

The constitutional amendment defined a uniform structure for the councils and gave them the authority to implement programs in economic development, social justice and 29 other areas. Each council has a budget for development projects.

No other country requires such broad participation by women in local government. Bangladesh has reserved 10 percent of parliamentary seats for appointed women, while Uganda's 1995 constitution set a quota of 13 percent. "India's is the largest experiment in women's empowerment both in terms of absolute numbers and percentage," said Ramesh Nayak, a researcher at the Institute of Social Sciences in New Delhi.

Election manifestos issued earlier this year by every major political party in India endorsed extending the women's one-third reservation to Parliament and state legislatures. Prime Minister H.D. Deve Gowda has promised to introduce such a constitutional amendment.



Lucille Daussin Cooper/The Washington Post

Rambeti, a council leader, doesn't attend meetings. Her husband does.

Women in India

Women:	452 million	48%
Men:	482 million	52%
Rural population:	691 million	74%

Education

Of 290.7 million illiterate Indians, 183.1 million are women. 60% of girls are enrolled in elementary and secondary school. 5% are enrolled at university or professional-training level.

Women in the Labor Force

24% of total labor force
31% of women aged 15 to 64
2% of administrators and managers
21% of professional and technical workers

Women in Government

8% of parliamentary seats
6.1% of all government jobs
4.2% of ministerial-level jobs
6.3% of sub-ministerial-level jobs

Health

Fertility rate: 3.8 live births per woman
Maternal mortality rate: 570 per 100,000 live births

Sources: UN Human Development Report, 1996; World Bank World Population Projections, 1995 WP

U.S. Assault on Welfare Panics N.Y. Immigrants

By Charisse Jones
New York Times Service

NEW YORK — In New York City, where more than half the residents are immigrants or the children of immigrants, a sense of panic and confusion has rippled through whole communities as the sweeping federal welfare bill has become law, affecting millions of people, but perhaps none so immediately as the foreign-born.

Ever since President Bill Clinton promised earlier this month to sign the legislation, a vast overhaul of federal welfare policy that includes severe limits on government aid to noncitizens, the number of immigrants and refugees seeking naturalization has jumped sharply in New York City, straining the services of immigrant organizations.

Rumors have swirled around the new law, sending some immigrants into community centers in tears. Others have spent their days in denial, refusing to believe that changes will take place at all. Advocates say some desperate elderly immigrants even talk of suicide.

"We've been overwhelmed," said Manuel Matos, executive director of the Northern Manhattan Coalition for Immigrant Rights, which has seen the number of applicants for naturalization double in the last two weeks. "We don't have the capacity to meet the demand, and it hasn't been like this in the two-and-a-half years I've been here."

Advocacy groups are expanding hours and staffing to meet the rising demand for help in seeking naturalization. Grass-roots organizations are trying to find money to create networks to distribute food and clothing to immigrants whose benefits are cut off.

And still others are passing out fliers, planning forums and taping spots for television and radio to educate immigrants about the complicated changes.

The legislation signed into law Thursday, which transfers control of much of the nation's welfare system from the federal government to the states, imposes many new restrictions on aid to legal immigrants who are not yet citizens. Among them:

- Legal immigrants will generally no longer be eligible for food stamps or Supplemental Security Income, the federal cash support for the poor, elderly and disabled.
- States will be allowed, but not required, to deny noncitizens cash welfare, Medicaid, block grant benefits and other state and local public assistance.
- Immigrants currently receiving food stamps will technically be allowed to do so for up to one year, but individual cutoff dates will depend on when they undergo annual reviews for benefits. Those now receiving cash welfare or Medicaid services cannot be denied those benefits until after Jan. 1.
- Future legal immigrants will be denied most federal benefits during their first five years in the United States, including Medicaid and public housing.
- Sponsorship documents will become legally enforceable, requiring for the first time that those who sponsor new immigrants pay back any public benefits the immigrant receives. And in assessing new immigrants' applications for federal aid, the government will take into account their sponsors' income. States will be able to do the same.

The law has some exceptions: Legal immigrants who are veterans, in the military, or who have worked at least 10 years without receiving federal benefits, will be entitled to the same assistance as U.S. citizens. And refugees granted asylum will also be exempt from the restrictions on legal immigrants, but only during their first five years in the United States.

Mr. Clinton, who had criticized the legislation's restrictions on immigrants as having nothing to do with welfare reform, has said he will try to change them soon, but change may be difficult because the provisions represent major budget savings.

The legislation imposes many new restrictions on aid to legal immigrants who are not yet citizens.

New Jersey officials have said the state will try to pick up the cost of benefits for the 20,000 immigrant families now receiving Aid to Families With Dependent Children, a bulwark of welfare that the new law abolishes.

It is not clear whether New York state, which has long had the most generous and expansive poverty programs in the nation, will do the same. A task force is trying to determine how many legal immigrants are on the state's welfare rolls.

Scott Brenner, a spokesman for the House Ways and Means Committee, said that the new law merely reinforces existing — but seldom enforced — immigration policy, since noncitizens had technically never been entitled to public aid. He noted that legal immigrants would still be eligible for emergency medical services, school lunches, and other specified federal benefits.

But immigrant advocates say that the new law punishes lawful permanent residents, most of whom have worked and paid taxes as vigilantly as most citizens. And as harsh as the law will be for future immigrants, they say, it is particularly devastating for those already here.

"It's one thing to come in and know you're on your own no matter what," said Margie McHugh, executive director of the New York Immigration Coalition, an umbrella organization for some 100 groups working with immigrants and refugees.

"It's another thing to yank the net out from under people who have been here 10 or 20 years, who often worked the lowest paid and most unsafe jobs, and now find themselves in need of these services."

Heart Surgery Patients Aided by Anti-Clot Drug

Reuters

BIRMINGHAM, England — A single dose of a special anti-clotting drug dramatically reduces deaths from heart attack after surgery to open clogged arteries, doctors said Monday.

Researchers at Duke University in Durham, North Carolina, and Erasmus University in Rotterdam said the drug abciximab, known commercially as ReoPro, cut the need for additional surgery after angioplasty. The drug uses monoclonal antibodies to prevent blood clots.

Angioplasty, currently a popular treatment for patients with heart disease, opens the arteries and restores blood flow without the need for risky bypass surgery. Angioplasty involves opening a clogged blood vessel with a tiny balloon. But the procedure can knock loose plaque buildup from inside the artery.

The doctors described two trials involving nearly 5,000 patients in the United States and Canada and a third trial involving 1,200 patients in the Netherlands. All three found that ReoPro greatly reduced complications from the surgery.

"One month after treatment, overall death, recurrent heart attacks and urgent repeat angioplasty or bypass surgery were reduced by up to 59 percent in all patients who were treated with ReoPro," Duke University said in a statement.

The results of the studies were being presented to 16,000 delegates at the European Society of Cardiology meeting in Birmingham.

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TRAVEL UPDATE

Visits to China Up 20% This Year

BEIJING (AFP) — The numbers of foreigners crossing China's borders rose 20.1 percent in the first half of 1996, to 6.3 million, according to figures released Monday by the Ministry of Public Security.

Japanese nationals topped the list, followed by South Koreans, U.S. passport holders, Russians and Malaysians. Britain headed the list of visitors from Western Europe, but no specific figures were given, according to the China Daily.

Most visitors to China came from territories that Beijing considers its own — Hong Kong and Macau — and totaled 41.9 million border crossings between January and June.

Hurricane Edouard weakened Monday, but forecasters cautioned it remains powerful and advised residents of the eastern Caribbean to monitor it. The storm was expected to pass east of the northern Leeward Islands. *(AP)*

Egypt has finished 10 months of renovation work inside the Pyramid of Chephren, the second of the three Giza pyramids, and will reopen it to the public on Wednesday, officials in Cairo said Monday. *(Reuters)*

A strike at Charles de Gaulle airport in Paris by ground staff caused delays of one to two hours in arrivals and departures Monday. *(AFP)*

American Trans Air will discontinue some scheduled flights to cut costs and concentrate on its charter service. The company said it will eliminate scheduled flights serving Boston, San Diego and Miami, and will reduce service to Grand Cayman and Montego Bay, Jamaica. *(Bloomberg)*

WEATHER

Forecast for Wednesday through Friday, as provided by AccuWeather.



Jetstream · Unseasonably Cold · Unseasonably Hot · Heavy Rain · Heavy Snow

North America
Mostly sunny, hot and dry from California to Oregon and Montana, but a few thunderstorms will break out over the northern Rockies. Sunny and warm across the midsection of of the nation Wednesday through Friday, but steamy with a few thunderstorms in the Southeast.

Europe
Mostly cloudy, damp and cool from England to Poland through the period. Windy and unseasonably cool with showers and thunderstorms across the Netherlands, northern Germany and Denmark. Minsk to Moscow will be warm and dry with some sunshine Wednesday through Friday.

Asia
Some showers in Tokyo Wednesday, then partly sunny, warm and humid through Friday. Beijing will be cool with clouds and a shower or two Wednesday and Thursday, then dry and warm Friday. Steadier rains are likely over eastern China between Shanghai and Xiamen. Warm and dry in western China.

Europe

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
Algarve	28/82	18/64 s	27/80	17/62 pc
Amsterdam	19/66	9/48 c	15/61	8/46 pc
Ankara	27/80	9/48 pc	28/82	11/52 pc
Athens	31/88	21/70 s	31/88	22/71 pc
Barcelona	23/73	14/57 c	23/73	17/62 pc
Belgrade	26/82	15/61 pc	29/84	16/61 pc
Berlin	23/73	14/57 t	21/70	12/53 r
Brussels	19/66	8/48 c	18/61	8/46 pc
Budapest	29/84	16/61 pc	28/82	19/61 pc
Copenhagen	22/71	13/55 c	19/66	12/53 r
Costa Del Sol	29/84	19/66 s	30/86	20/68 pc
Dublin	17/62	10/50 r	18/61	9/48 pc
Edinburgh	17/62	9/48 t	19/61	7/44 pc
Florence	27/80	16/61 pc	28/82	14/57 s
Frankfurt	24/75	13/55 t	23/73	12/53 r
Geneva	20/68	8/46 r	21/70	9/48 pc
Helsinki	23/73	14/57 c	23/73	15/59 pc
Istanbul	29/84	18/64 s	28/82	19/66 pc
Las Palmas	26/79	19/66 s	25/77	19/66 s
Lisbon	25/77	17/62 s	25/77	17/62 c
London	19/66	10/50 sh	17/62	9/48 pc
Madrid	31/88	13/55 pc	31/88	15/59 r
Mallorca	29/84	14/57 t	29/84	19/66 pc
Milan	23/73	16/61 t	25/77	14/57 c
Moscow	21/70	12/53 s	22/71	14/57 s
Munich	20/68	12/53 r	19/66	9/48 r
Nice	23/73	17/62 t	24/75	17/62 pc
Oslo	21/70	12/53 c	22/71	11/52 pc
Paris	19/66	7/44 sh	17/62	7/44 pc
Prague	23/73	11/52 c	22/71	10/50 r
Reykjavik	12/53	10/50 r	13/55	7/44 r
Rome	27/80	18/66 pc	29/84	18/64 pc
St. Petersburg	23/73	18/61 s	23/73	17/62 pc
Stockholm	23/73	14/57 pc	21/70	14/57 pc
Strasbourg	23/73	11/52 pc	19/66	9/48 pc
Tallinn	23/73	15/59 c	23/73	15/59 pc
Venice	24/75	17/62 c	29/79	16/61 r
Vienna	23/77	16/61 pc	29/79	15/59 r
Warsaw	27/80	15/59 pc	25/77	15/59 r
Zurich	20/68	12/53 sh	19/66	10/50 pc

Middle East

Abu Dhabi	39/100	25/77 s	39/100	28/79 s
Beirut	27/80	20/68 s	29/82	21/70 s
Cairo	32/89	18/64 s	33/91	19/66 s
Damascus	31/88	14/57 s	31/88	14/57 s
Jerusalem	27/80	13/55 s	27/80	14/57 s
Luxor	39/102	17/62 s	39/102	18/64 s
Riyadh	41/106	29/79 s	40/104	25/77 s

North America

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
Anchorage	14/57	5/41 s	16/61	8/46 pc
Atlanta	33/91	21/70 pc	31/88	20/68 pc
Boston	24/75	16/61 pc	22/71	14/57 pc
Chicago	25/77	14/57 s	27/80	19/61 s
Dallas	31/88	22/71 t	32/89	21/70 pc
Denver	29/84	13/55 pc	30/86	13/55 s
Detroit	25/77	14/57 pc	26/79	14/57 pc
Honolulu	32/89	23/73 s	33/91	24/75 pc
Houston	33/91	22/71 c	32/89	23/73 pc
Los Angeles	31/88	17/62 s	32/89	18/64 pc
Miami	32/89	23/73 pc	33/91	24/75 pc
Minneapolis	25/77	15/59 s	28/82	18/64 s
Montreal	21/70	7/44 s	21/70	11/52 pc
Nassau	32/89	24/75 pc	30/86	25/77 pc
New York	28/84	19/66 pc	26/79	18/64 pc
Orlando	33/91	23/73 pc	33/91	23/73 pc
Phoenix	39/100	27/80 pc	38/102	28/82 pc
San Fran.	22/71	14/57 s	24/75	15/61 pc
Seattle	22/71	13/55 s	27/80	15/61 pc
Toronto	21/70	9/48 pc	22/71	12/53 pc
Vancouver	23/73	13/55 sh	24/75	15/64 c
Washington	30/86	19/66 pc	29/82	15/64 pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1996

Asia

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
Bali	31/88	23/73 s	32/89	23/71 pc
Bangkok	32/89	24/75 sh	32/89	24/75 t
Beijing	29/79	19/64 r	28/82	20/68 pc
Bombay	32/89	24/75 t	32/89	23/73 t
Calcutta	31/88	24/75 c	31/88	24/75 pc
Chiang Mai	33/91	22/71 sh	33/91	22/71 t
Colombo	27/80	24/75 t	27/80	24/75 sh
Hanoi	32/89	23/73 r	31/88	25/79 c
Ho Chi Minh	32/89	24/75 t	32/89	24/75 t
Hong Kong	29/84	24/75 r	29/84	24/75 c
Islamabad	41/106	29/79 s	42/107	28/82 s
Jakarta	31/88	25/77 t	30/86	25/77 t
Karachi	33/91	28/79 pc	33/91	27/80 pc
K. Lumpur	32/89	24/75 t	30/86	23/73 t
K. Kinabalu	29/84	23/73 t	29/84	22/71 t
Manila	31/88	24/75 pc	31/88	23/73 c
New Delhi	36/97	28/79 pc	36/97	28/82 pc
Phnom Penh	32/89	24/75 t	32/89	24/75 c
Phuket	32/89	24/75 sh	32/89	24/75 t
Pyongyang	28/82	23/73 sh	28/82	23/73 t
Seoul	24/75	17/62 sh	25/77	17/62 r
Shanghai	33/91	25/77 pc	29/82	23/73 t
Singapore	30/86	24/75 t	29/84	23/71 r
Taipei	32/89	24/75 pc	31/88	25/77 pc
Tokyo	24/75	19/66 r	25/77	23/71 r
Vientiane	31/88	23/73 r	31/88	23/73 c

Africa

Algiers	33/91	18/64 s	27/80	17/62 pc
Cape Town	13/55	7/44 r	16/61	8/46 pc
Casablanca	23/73	16/61 s	23/73	17/62 s
Harare	28/79	14/57 c	25/77	13/55 r
Lagos	29/84	23/73 pc	27/80	23/71 pc
Nairobi	26/79	12/53 pc	27/80	11/52 pc
Tunis	38/102	24/75 s	31/88	19/66 pc

Latin America

Buenos Aires	19/66	2/35 s	16/61	5/41 s
Caracas	31/88	24/75 pc	32/89	25/77 pc
Lima	20/68	16/61 pc	20/68	15/61 pc
Mexico City	21/70	14/57 c	22/71	14/57 t
Rio de Janeiro	33/89	24/75 s	31/88	23/71 t
Santiago	19/66	1/34 pc	14/57	4/39 s

Oceania

Auckland	12/53	7/44 pc	12/53	7/44 pc
Sydney	19/66	10/61 r	21/70	11/52 s

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China +	108-13	Japan (KDD) +	0039-131	Romania +	01-800-0877		
Colombia	980-12-0810	Jordan	18-800-777	Russia (Moscow) +	155-6133		
Costa Rica +	0800-013-0123	Kenya ★	0800-12	Russia (all other) +	8093-155-6133		
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Dominican Republic +▲	1-800-751-7877	Kuwait	800-777	Saudi Arabia	1800-15		
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CAMPAIGN '96
The Democrats in Chicago

Democrats on Clinton: Good and Can Improve

By James Bennet
New York Times Service

CHICAGO — The Democratic delegates assembled for their convention here are not satisfied with Bill Clinton's efforts to help most Americans. But they are delighted with him nonetheless.

With only one candidate to choose among all year, most of the delegates say they support Mr. Clinton without reservations, according to a New York Times/CBS News Poll.

But a majority still says Mr. Clinton should be doing more to help the poor and middle class, and more than one in four criticize his signing of legislation changing the welfare system last week.

Despite Mr. Clinton's efforts to herd his party toward the ideological center, the poll indicates that the 4,320 delegates generally harbor an unreconstructed liberal faith in government's ability to improve American life.

"He's more moderate than I am," said Donel Wyman, 69, a delegate from Oshkosh, Wisconsin, who wore a "Boot Newt" cap to a party here. "But he'd never get elected if he was as liberal as I am."

In fact, on issue after issue, the delegates here present a reverse image of the generally conservative Republican delegates in San Diego.

The survey shows that the Democratic delegates, who, like their Republican counterparts, represent the extreme ideological views of their party, are more liberal than the public at large or even their fellow Democrats.

They want the government to do more to solve national problems and to regulate businesses to guard workers' safety and the environment. They support laws to protect the rights of racial minorities and homosexuals. They want most affirmative action programs left untouched. They favor the nationwide ban on assault weapons. They believe that the children of illegal immigrants should continue to attend public schools. And fully 86 percent say the government should guarantee health insurance for all Americans.

The delegates are the reverse image of the Republicans on another front as well: They say they think their candidate will win — and win big.

Seventy-nine percent of them consider Mr. Clinton the favorite in their state, and 47 percent said he had a "big edge." Only 49 percent of the Republican delegates said they thought their nominee, Bob Dole, would carry their state, with only 25 percent saying he had a "big edge."

Further, most delegates polled say Mr. Clinton's fortunes will be unaffected by the addition of Jack Kemp to the Republican ticket. Forty-seven percent say Ross Perot's entry into the race will not affect Mr. Clinton in their state, while 46 percent say it will help him.

The poll surveyed 509 Democratic delegates by telephone, fax and mail from Aug. 8 to Aug. 22. It has a margin of sampling error of plus or minus 4 percentage points.

In securing the affections of his party's delegates, Mr. Clinton had a significant advantage over Mr. Dole: Numerous Republican candidates nicked and bruised Mr. Dole in the primaries, and even as the Republican delegates met in San Diego, some were still wondering about the contenders who could have been. But Mr. Clinton ran unopposed within his party, which has spent millions of dollars advertising him as the bulwark against Republican extremists in Congress.



John Rothroff/Agence France-Presse

Leon Panetta, the White House chief of staff, signing a fan's shirt at the Democratic convention in Chicago.

Suffering and Sacrifice in the Spotlight

By Lloyd Grove
Washington Post Service

CHICAGO — The last time around, Tipper Gore and Hillary Rodham Clinton kicked up their heels to the booming beat of Fleetwood Mac. But now the Democrats are presenting a more somber, mature image at their convention, filling the programs with people who have been to Hell and back.

Monday night, the Democrats were to kick off Convention '96 with a prime-time program featuring Christopher Reeve, Sarah Brady and Alma Brown. Mr. Reeve, the star of the "Superman" movies, was paralyzed in a riding accident; Mrs. Brady became a gun control activist after her husband, former White House press secretary Jim Brady, was shot and permanently disabled during an assassination attempt on President Ronald Reagan; Mrs. Brown's husband, Commerce Secretary Ron Brown, died in a plane crash this year.

Derided by Republican nominee Bob Dole as a "corps of elite who never grew up, never did anything real, never sacrificed, never suffered, and never learned," President Bill Clinton's team is presenting a cast of speakers who have grown up, learned, sacrificed and suffered. Convention planners insist they did not choose the hard-knocks approach in response to Mr. Dole. Still, the program is in keeping with that cherished political dictum that nothing reaches voters like hurdles overcome.

"What we're trying to show is people who both have compelling personal stories of heroism and who have been personally affected by President Clinton's policies," said a White House senior adviser, George Stephanopoulos.

The 73-year-old Mr. Dole has said the inspiration for his broadside was the 35-year-old Mr. Stephanopoulos, the mop-topped aide who has come to symbolize for many Republicans the Clinton administration's youth and inexperience.

"I don't think the country believes this election is a referendum between Bob Dole and George Stephanopoulos," said a strategist, Robert Shrum. "I don't believe the country thinks being young is a liability. Dole's comment is kind of an echo of the worst caricatures of the far right. It's the verbal equivalent of an editorial cartoon."

The convention program, the Democrats hope, will be the video equivalent of a spiritual journey — and decidedly not a political experience.

Coming after the Olympics, in which NBC garnered huge ratings by turning sports competitions into moving human dramas, the Democrats are hoping that such tales of tragedy and triumph will give people a reason to tune in to their political Olympics. In this era of the shrinking political convention, convention producer Gary Smith predicted a good-size audience for Mr. Reeve.

"That was the worst paragraph in Dole's speech," said a White House official, referring to the broadside. Noting that groups of voters who were manipulating knobs to register their reactions to Mr. Dole's speech turned their knobs steeply downward at the attack on Mr. Clinton's staffers, indicating a negative response. "I don't think he's repeating that line a lot."

"I assume it's Dole's effort to make age an asset," said a Democratic consultant, Mandy Grunwald. "But the notion of trying to set up a sort of competitive misery index, I think, is demeaning to him and to the office. I think you can admire what Bob Dole has been through without having to denigrate the lives of other people."

Still, the line does seem to resonate with certain folks of a certain age. "Among people of Dole's generation, the World War II generation, there's a perception that the baby boomers had it really easy," said 34-year-old Republican pollster Frank Luntz, a consultant for ABC News. "That's also the perception among the Generation X'ers. There is the belief that things were better in the past economically and that 'it's not my fault but I'm going to get shafted.' And the baby boomers didn't appreciate how easy they had it."

President Scorns 'Abuses' in Senate Probe

By Alison Mitchell
New York Times Service

COLUMBUS, Ohio — President Bill Clinton has vowed to help members of his administration pay the overwhelming legal bills stemming from the Whitewater investigations "if it's the last thing I ever do and I stay healthy."

His aides have had their "lives wrecked by pure, naked, raw politics," Mr. Clinton said during an interview with CNN as he campaigned by train through Ohio.

He accused the Senate Whitewater committee of "just playing with" the administration witnesses it has called, "just having a big time letting them run up $100,000, $200,000, $300,000 in legal bills."

He added: "They don't care. They have all the money in the world. They have no evidence they did anything wrong. If I'm not president anymore, if those people have legal bills, when I can, I'm going to do everything I can to help raise the money or to earn it myself and pay it."

Mr. Clinton had been in high spirits most of the afternoon Sunday as he began a four-day train tour to the Democratic National Convention in Chicago, where he will arrive Wednesday night. But he bristled when a CNN reporter brought up the controversies that have swirled around him and the first lady and the drawn-out inquiries that have involved him and a number of his aides and associates.

His demeanor shifted from bemused to pained to scornful and even angry as he discussed what he called "the abuse of the special-counsel law that we have seen has taken place."

The Senate committee has recommended that the Whitewater independent counsel examine at least three Clinton associates for possible perjury: Susan Thomases, a close friend of Hillary Rodham Clinton; Harold Ickes, the White House deputy chief of staff, and Webster Hubbell, the former associate attorney general.

Mr. Clinton also referred scathingly to the committee chairman, Senator Alfonse D'Amato, Republican of New York, as Bob Dole's "choice to be the ethics spokesman of the Senate."

Mr. Clinton said the Whitewater independent counsel had now employed "more FBI resources than were used in the World Trade Center bombing" and yet "there has still not been a single solitary shred of evidence by me, by my wife, by her law firm, by my administration."

Dole Assails Clinton on Drug Policies

By Edward Walsh
Washington Post Service

PALOS PARK, Illinois — Bob Dole, the Republican presidential candidate, tried to crash the Democrats' party in nearby Chicago with a tough rebuke of President Bill Clinton's drug policies and a promise to use U.S. military forces to halt the flow of illegal drugs into the United States.

Mr. Dole chose a Republican picnic Sunday in this suburb southwest of Chicago, where the Democratic National Convention began Monday, to deliver his most extensive statement to date on drugs and to accuse Mr. Clinton of adopting a policy of "surrender" in a battle against "the moral equivalent of terrorism."

"This president has been known not for his eloquence but for his silence" on the drug issue, Mr. Dole told a modest but enthusiastic crowd. "This administration has replaced the message of 'just say no' with the message of 'just say nothing.'"

A Clinton spokesman, Joe Lockhart, responded, saying that Mr. Dole had voted to take money from Mr. Clinton's preventive "Safe and Drug-Free Schools" program and had voted against the 1994 crime bill, which included stiffer penalties for playground drug dealers. "Bob Dole attempted to dismantle initiatives that would help young people at risk of falling prey to drug use and crime," Mr. Lockhart said in a statement.

The tough, anti-drug campaign theme, building on the release of a report last week that showed a sharp increase in drug use among young people since Mr. Clinton took office, was aimed at worried suburban parents, a crucial swing bloc in the November election. The suburbs around Chicago, important to Republican chances of carrying Illinois, have grown increasingly Republican, although Mr. Clinton appears to have made inroads with his message about individual responsibility.

Mr. Dole provided few details about his proposed use of the military in drug interdiction efforts. He promised, within 45 days of taking office, to devise a plan "to use our military power — particularly our technological capabilities — to fight the war on drugs"; to enlist intelligence agencies, including the Central Intelligence Agency, in the anti-drug effort, and to develop a contingency plan for the use of military units to stop the movement of drugs across the U.S. border with Mexico.

Asserting that "our drug problem is more than a domestic security matter" and that "the threat comes from abroad," he said, "No prevention program, no treatment effort, can work effectively if we continue to allow the supply of cheap, illegal drugs to continue to reach our streets and to reach our children."

ELECTION NOTES

Hometown Whiz Is an Embarrassment

PARK RIDGE, Illinois — Nobody here is surprised that a hometown kid as bright and ambitious as young Hillary Rodham from Wisner Street would rise to prominence on the U.S. political scene. But as a Democrat? Perish the thought.

In this staunchly Republican suburb of Chicago, where the future first lady joined Youth for Goldwater as a teenager, many people regard her as something of a prodigal daughter.

"Put it this way," said Peter Nicholson, a 36-year-old lawyer. "There's not a great sense of overjoy here with Hillary Clinton."

In fact, one resident's suggestion that a portrait of Mrs. Clinton be hung in the Park Ridge library as a tribute to a local girl who made good, sparked a fierce debate in the local newspaper's letters-to-the-editor columns four years ago.

It would surely be different if she were a Republican first lady.

"Are you kidding?" said Ron Wietecha, the mayor of Park Ridge. "There would be a shrine here for her." *(NYT)*

Chicago Warmup: Going After Gingrich

CHICAGO — As thousands of Democrats streamed into Chicago for the convention, the center of attention was not President Bill Clinton but a politician who kept a relatively low profile at his party's convention two weeks ago: Newt Gingrich, Republican of Georgia and the House speaker.

Led by Vice President Al Gore, prominent Democrats mentioned Mr. Gingrich more times in one day than the Republicans did during the entire week in San Diego. At rallies, in television appearances and in campaign fliers, the Democrats lambasted the Gingrich-led Congress as extremist and out of touch.

Democrats were so busy attacking Mr. Gingrich — who polls show is the nation's most unpopular Republican leader — that Bob Dole was sometimes relegated to second billing.

Mr. Dole's running mate, Jack Kemp, a former secretary of housing and urban affairs, was barely mentioned at all.

"With equal portions of ignorance and audacity, this two-headed monster of Dole and Gingrich has been launching an all-out assault on decades of progress on behalf of working men and women," Mr. Gore declared at a rally of the AFL-CIO labor federation in downtown Chicago. *(NYT)*

Quote/Unquote

President Bill Clinton, proposing that guns be kept out of the hands of people who commit violence against their families: "I believe strongly in the right of Americans to own guns. I have used them as a hunter with great joy. But if you're stalking or harassing women or children, you shouldn't have a gun. And if you commit an act of violence against your spouse or child, you shouldn't have a gun." *(AP)*

Away From Politics

- **The army has temporarily halted a project** to destroy chemical weapons after monitors detected a small leak of nerve gas at the Tooele Chemical Agent Disposal Facility in Salt Lake City. The leak occurred in a sealed part of the facility where personnel do not work. *(AP)*
- **Investigators were trying to determine if arson** or faulty wiring was to blame for a fire that destroyed a predominantly white church in Benton, Arkansas. It was the third church fire in the state a week. *(AP)*
- **A hiker who surprised a grizzly bear** feeding on salmon in remote northwest Alaska was fatally mauled when the bear tried to protect her cub. *(AP)*
- **Hot, dry weather and lightning strikes** sparked more fires in Oregon as crews battled blazes there and in California, Utah, Washington and Wyoming. *(AP)*

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27-8-96

Missile Report Denied By China and Pakistan

Account of Factory Project 'Groundless'

Compiled by Our Staff From Dispatches

BEIJING — China and Pakistan both denied Monday that a U.S. newspaper report about the alleged construction of a missile plant in Pakistan was accurate.

Asked to comment on a Washington Post report that China had supplied blueprints and equipment for the plant, a Foreign Ministry spokeswoman in Beijing said: "The U.S. newspaper report is entirely groundless." She had no further comment.

On another arms issue, China demanded Monday that the United States cancel plans to sell Stinger missiles, launchers and other weapons to Taiwan to prevent "new damage" to Chinese-U.S. relations.

In Lahore, Pakistan also denied Monday that it was building a missile plant with Chinese help.

"This is a figment of the unlimited imagination of The Washington Post, which is in the habit of breaking such stories in the past which have proved incorrect, false and malicious," Foreign Minister Aseef Ahmad Ali said. "This is another false and malicious story.

"No such factory is working and we are not replicating any missiles with the help of any other country," he continued.

The Post said that U.S. intelligence officials had concluded that Pakistan was secretly building a factory for medium-range missiles in a suburb of the northern city of Rawalpindi.

Citing unidentified U.S. intelligence officials and a classified document, The Post said that the factory was expected to be capable of producing most of the major components of a missile modeled after the Chinese M-11 in a year or two.

Some U.S. officials believed the factory would produce precise duplicates of the missile, according to the paper.

It added that the development raised the prospect of a new Chinese-U.S. dispute over arms proliferation.

The United States has twice imposed limited economic sanctions against China for selling M-11 missile launchers and finished missile components to Pakistan, but withdrew the curbs after Beijing promised to stop such deliveries.

A White House spokesman said that he could not confirm The Post's report but that the United States took such reports seriously.

"We do not believe it is in the best interests of the United States or of any other country to supply Pakistan with the capacity to manufacture or deploy weapons of mass destruction," the spokesman said.

William Triplett, the former chief Republican counsel for the Senate Foreign Relations Committee, said Monday that the Chinese were assisting the domestic Pakistan missile program by transferring technology.

Although he said he could not confirm the report of a partially completed factory in Rawalpindi, he noted that there was a history of the Chinese passing blueprints to Pakistan. He said Pakistan got the plans for its nuclear weapons from China.

Discussing the Stinger sales, a Foreign Ministry spokesman in Beijing said: "We ask the U.S. side to cancel plans to sell missiles to Taiwan to prevent creating new damage to Chinese-U.S. relations."

Rejecting a similar demand by China on Aug. 15, the U.S. Defense Department notified Congress last Friday of plans to sell Stinger missiles, launchers and other weapons to Taiwan.

U.S. officials said that the weapons were defensive and that the sale would not affect the basic military balance in the region.

The Pentagon said Taiwan wanted to buy 1,299 Stinger missiles, 74 guided missile launchers, 74 flight trainer Stinger missiles, 96 Humvee vehicles and 500 rounds of .50 caliber ammunition for about $420 million.

The United States should take Chinese-U.S. relations into account and live up to its promise regarding the sale of weapons to Taiwan, the Beijing spokesman said. Washington has agreed to reduce weapons sales to Taiwan, which Beijing has regarded as a renegade province since the end of the civil war in 1949. *(Reuters, AP)*

U.S. Weapons Begin Arriving In Pakistan

Reuters

KARACHI, Pakistan — A ship carrying U.S. military equipment released by Washington after a six-year delay began unloading Monday in Karachi's port.

"This event is not only a harbinger of a new phase of strengthening Pakistani-U.S. relations but also a vindication of the present government's successful foreign policy," Defense Minister Aftab Shahban Mirani said.

The United States halted aid to Pakistan in 1990 over suspicions about its nuclear program, blocking $1.4 billion of military equipment Islamabad had paid for.

President Bill Clinton signed legislation in January that authorized him to release $368 million of the equipment, but not 28 F-16 fighters. Washington is trying to sell the F-16s to third parties to reimburse Pakistan with the proceeds.

The official APP news agency said the cargo of the Pakistani ship MV Chitral included parts for M-48A5 tanks, M-88 armored recovery vehicles, M-109 self-propelled guns, M-110 howitzers and M-113 armored personnel carriers.

Mr. Mirani said the next consignment of air force equipment would be flown to Rawalpindi, near the capital Islamabad, and all the previously embargoed gear, except for the F-16s, would arrive by December.

Mr. Mirani said Pakistan would take delivery in February of the first three of 40 used Mirage-III fighters it has bought from France for $118 million.



Saurabh Das/The Associated Press

PRAYERS FOR MOTHER TERESA — Nuns from her Missionaries of Charity order praying for Mother Teresa's recovery Monday on the eve of the Nobel Peace Prize laureate's 86th birthday. Doctors at a Calcutta clinic said Mother Teresa was showing slight improvement in her battle against malaria and a faltering heart.

SENTENCE: *Former South Korean Leader Gets Death Penalty*

Continued from Page 1

legal analysts had predicted that the sentence would be less severe. The presiding judge, Kim Young Il, declared, however, that the crimes committed were serious enough to warrant the most severe punishment.

Mr. Roh was spared the punishment of life imprisonment demanded by prosecutors on grounds, Judge Kim said, that Mr. Roh had only been following Mr. Chun's lead. The judge said also that Mr. Roh's efforts to promote democracy in South Korea had been taken into account.

The two former presidents were convicted on mutiny and treason charges stemming from their staging of a 1979 coup within the military following the assassination of President Park Chung Hee. The two men also were found guilty of treason in the 1980 massacre of 200 people as security forces fired on demonstrators in the city of Kwangju, but the judge said there was insufficient evidence to find Mr. Chun guilty on a separate murder charge in connection with the same event.

Thirteen other former generals who were tried along with the former presidents on sedition and treason charges were also convicted Monday. All except Mr. Chun received lesser sentences than sought by the prosecutors; one former general was found not guilty.

Mr. Chun and Mr. Roh have admitted taking hundreds of millions of dollars from South Korean businessmen, but they have maintained that the money represented political donations, not bribes. Such donations were an accepted way of doing business then, according to South Korean businessmen.

The two former presidents had also maintained their innocence on the treason charges, arguing that they acted in the interest of national security and that the crackdown in Kwangju was necessary to avert instability that might prompt a North Korean invasion.

The corruption trial centering on the relationship between Mr. Roh and the businessmen sentenced Monday exposed the darker side of the tight partnership between business and government that led to the creation of some of the world's exporting powerhouses.

Still, despite testimony that hundreds of millions of dollars were given to the two former leaders by corporations, it had been expected here that the businessmen would get suspended sentences or very brief jail terms. None of the executives were immediately taken into custody, and it was not clear whether they would be jailed during the appeals process. All refused to comment as they entered and left the courtroom, but it is assumed they will appeal their sentences.

KOREANS: *Trials Underscore Transition to Democratic Rule*

Continued from Page 1

because he killed so many people."

Mr. Kang's anger carries resonance around the world. Particularly in Asia, one of the crucial questions in the coming years is whether political and military leaders will be punished for incidents like the Tiananmen Square killings in China in 1989 or Indonesia's massacre of demonstrators in East Timor in 1991.

Such leaders have been betting that military crackdowns will be forgiven and forgotten if they bring their people out of poverty and into riches. But Monday's sentences show that Mr. Chun and Mr. Roh took those same gambles, and that they lost. They lost, paradoxically, partly because they presided over South Korea's transition to democracy, and this ultimately helped bring about their downfall.

For most of South Korea's history, if a civilian government had taken steps against former generals, the army would have seized power in a coup d'état. But now, nearly everyone agrees that there is almost no chance of a military intervention, and some say that the sentence Monday against Mr. Chun will make a coup less likely.

"It's a lesson that whoever takes over power through force will be punished," Chang Doug Young, a spokesman for the main opposition party, led by Kim Dae Jung, said of Monday's sentence.

Few people expect Mr. Chun actually to be hanged, which is how executions are normally carried out in South Korea. But the nation was still drawn to the drama of Monday's trial, a culmination of months of courtroom theater that enveloped not only Mr. Chun and Mr. Roh, but also the nation's top business leaders.

In shopping malls, offices and train stations, South Koreans dropped what they were doing Monday to watch images of their former presidents, Mr. Chun and Mr. Roh, standing side by side in their prison uniforms. But they also saw a spectacle of the heads of the South Korea's largest conglomerates sentenced to prison terms.

It was the business leaders, accused of bribery to expand their corporate wealth, who got off comparatively lightly, receiving sentences about half the length demanded by prosecutors.

While the former presidents are highly unpopular, few can imagine Mr. Chun actually being executed, and it is possible that President Kim Young Sam will pardon the two men, especially Mr. Chun.

"First of all, he should recant, for Chun tried to justify the coup at court and that's not what he should do," said Mr. Lee, the lawmaker tortured under Mr. Chun. "He should apologize and take responsibility for the killing. In that case, I'd say we may consider a pardon. But now is not the time to talk about it."

BRIEFLY

Khmer Rouge Kills Faction Members

PHNOM PENH — Khmer Rouge hard-liners loyal to Pol Pot are systematically killing cadres suspected of leaning toward a breakaway faction negotiating peace with the government, a Defense Ministry official said Monday.

General Pol Saroen, who has led government negotiations with the breakaway group, said a defector from the hard-line faction over the weekend disclosed the killings.

The defector was identified only as "Comrade Nov," General Saroen said, adding that he said he had been appointed chief supply officer for 700 to 800 hard-liners massed along Cambodia's border with Thailand.

"There, they are beginning a policy to wipe out those who are involved with the dissident leadership," General Saroen said. *(AP)*

Hindu Pilgrimage

PAHALGAM, India — More than 60,000 pilgrims gathered Monday in the Himalayan town of Pahalgam after spending up to four days on a mountainside at the mercy of bitter wind, rain and snow.

The Hindus survived a harrowing pilgrimage during which at least 128 died in below-freezing temperatures. Some 112,000 pilgrims undertook this year's journey to the holy Amarnath cave in Kashmir state. There, devotees worship an ice stalagmite believed to be a manifestation of the Hindu god Shiva. *(Reuters)*

For the Record

Two unidentified gunmen killed Yuhei Ko, the 56-year-old chairman of Japan Real Estate Co. Ltd, in front of Osaka's main train station Monday afternoon, police said. Local police reported he was also the former boss of Ikushima-gumi, an organized crime gang, Jiji Press said. *(AFP)*

More than 60 people have been injured in Dhaka, Bangladesh, in clashes between student activists of Prime Minister Hasina Wazed's party and those loyal to her predecessor, police said Monday. *(AP)*

VOICES From Asia

Wu Shuqing, the retired former head of Beijing University, saying China must promote Marxist teachings to counter the adverse effects of economic reforms: "Hostile Western forces are spreading anti-Marxist opinions to subvert China's socialist system. We must keep Marxism as the guiding principle." *(Reuters)*

Ieng Sary, the former deputy to the Khmer Rouge leader, Pol Pot, saying he was not responsible for mass murder in Cambodia and that his position as foreign minister made him an unwitting public figure: "At this point, one is entitled to ask this question: 'Wasn't this a tactic by Pol Pot to make his most prominent critic take all the blame for the reign of terror?' " *(Reuters)*

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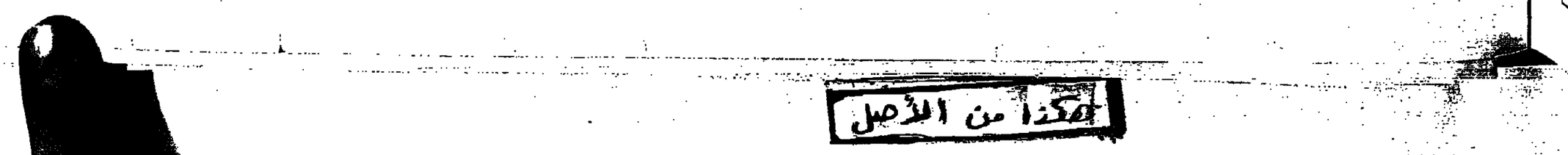
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EUROPE

Amid Chechen Crisis, Yeltsin Takes a Holiday

Lebed, With Deal in Hand, Seeks Meeting

By David Hoffman
Washington Post Service

MOSCOW — President Boris Yeltsin left Moscow for vacation Monday as his security chief, Alexander Lebed, sought a meeting with him for approval of a proposed political settlement for the Chechen war.

Mr. Yeltsin, who has only briefly appeared in public since his re-election, left for a government residence called Rus, 70 kilometers northeast of Moscow, for what is expected to be an extended vacation. His spokesman, Sergei Yastrzhembsky, said nothing about whether Mr. Yeltsin would meet Mr. Lebed.

Mr. Lebed's office said a conference with Mr. Yeltsin might come Tuesday. The security chief, whom Mr. Yeltsin put in charge of shaping a settlement of the 20-month-old war, returned to Moscow during the weekend to seek approval of a political settlement between Russia and Chechens seeking independence.

Although the details have not been disclosed, Mr. Lebed is reportedly carrying a plan that could involve a referendum to decide Chechnya's future status. Russian news agencies reported that Mr. Lebed returned to Moscow in part to iron out any legal problems with the plan. If successful, such a political settlement would mark a major step toward ending the war, which has left about 30,000 people, mostly civilians, dead.

But Mr. Lebed faces major hurdles, not the least of which is the Chechen demand for independence and Russia's refusal to grant it. Mr. Lebed's spokesman warned anew Monday that Mr. Lebed fears he will be the target of an assassination attempt by unidentified people who would like to continue the war.

Mr. Lebed met Monday in Moscow with Prime Minister Viktor Chernomyrdin to discuss the political document. No details were released.

In the Chechen capital, Grozny, there was relative calm because of the latest cease-fire between the Russian troops and the rebels. But tempers flared over an incident in which a group of Chechen rebels blocked a retreating Russian convoy and confiscated 58 assault rifles.

The Russians demanded return of the weapons, and on Monday 53 had been given back, according to the news agency Itar-Tass.

The incident prompted the Russian commander in Chechnya, General Vyacheslav Tikhomirov, to postpone a planned meeting with the Chechen commander, Aslan Maskhadov, on further implementation of the cease-fire that Mr. Maskhadov and Mr. Lebed had earlier worked out.

The deputy head of the Russian Interior Ministry troops in Chechnya, Protogen Andriyevsky, told Itar-Tass that pullout of the troops from Grozny would be delayed until Tuesday.

But the episode over the weapons did not appear to be a serious threat to the cease-fire plan, and Mr. Maskhadov apologized to the Russians for the action, which he said was carried out by a rogue group.

Russian troops began pulling out as planned from elsewhere, including a regiment and several battalions that left the Shatoi region near the border with Dagestan.

The cease-fire calls for creation of joint patrols including Russian soldiers and Chechen fighters in Grozny.

But the plan has not yet been launched and already dissent is being heard from the rank-and-file on both sides. Interfax quoted a Russian military source as complaining that the Chechens were not taking part in a planned joint command center, but were setting up their own, parallel command in Grozny.

Mr. Yeltsin's decision to leave on vacation Monday followed weeks of speculation about his health. He has heart trouble. His aides have said he has not suffered another bout of heart problems, but simply needs an extended rest after a grueling re-election campaign.

They have refused to disclose details of Mr. Yeltsin's condition and treatments.

[Mr. Yastrzhembsky said Mr. Yeltsin was "working on documents and maintains control over the issues of domestic and foreign politics. Every day the president is receiving a large package of various materials and documents that demand his operative involvement," Reuters reported.]



Udo Weitz/Reuters

A Chechen refugee returning to Grozny on Monday to see if her home survived recent fighting in the capital.

Kidney Operation For Yeltsin's Wife

The Associated Press

MOSCOW— Naina Yeltsin, the wife of the Russian president, was recovering in a Moscow hospital Monday after undergoing kidney surgery, according to a presidential spokesman.

Igor Ignatyev, chief of the presidential press service, said the operation went smoothly Saturday at the Central Clinical Hospital, better known as the Kremlin Hospital.

There had been no advance word either from the Kremlin or the president's family that Mrs. Yeltsin, 63, needed an operation.

Mr. Ignatyev said the surgery, on Mrs. Yeltsin's left kidney, had been planned for some time. He did not describe her medical problem.

Police Arrest 10th Suspect In Belgium

Links Discovered To Child Sex Case

Compiled by Our Staff From Dispatches

BRUSSELS — Belgian investigators said Monday they had made a 10th arrest in connection with their inquiries into a rapidly widening child pornography scandal.

A court official in the southern Belgian village of Neufchateau said Pierre Rochow, son of a scrap-metal dealer, had been arrested Sunday on charges of taking part in a criminal association concerning theft and receiving stolen goods.

Mr. Rochow was one of three people jailed in December with Marc Dutroux, the convicted child rapist at the center of a suspected child pornography ring, in a dispute over the theft of a truck.

Mr. Dutroux, who was arrested Aug. 15 for the kidnapping and abuse of six girls, is suspected to have been part of an international child pornography network.

On Aug. 17, Mr. Dutroux led police to the bodies of two 8-year-old girls buried in a garden of one of seven homes he owns near Charleroi, south of Brussels.

Two other girls, aged 12 and 14, were found alive, but sexually abused, in a cellar in one of his houses. Police said Mr. Dutroux admitted to kidnapping two other teenagers, who remain missing.

Mr. Rochow's arrest followed three others Sunday, including that of a senior police detective, Georges Zicot.

Mr. Zicot's alleged involvement fueled speculation that a group involved in kidnapping and killing children had received high-level protection to avoid detection.

On Sunday, the chief investigator, Michel Bourlet, said he wanted to find out why police did not share data about missing children and Mr. Dutroux's criminal activities in recent years.

Justice Minister Stefaan De Clerck said last week that mistakes were made and ordered an inquiry. He added that he had no information about suggestions that Mr. Dutroux might have received protection.

The case in Belgium has heightened attention to the World Conference Against the Commercial Sexual Exploitation of Children, which opens Tuesday in Stockholm.

The conference, the first of what is to be an annual event, will focus on stopping child prostitution, pornography and the sale of children for sexual purposes.

Referring to the Belgian scandal, a Unicef spokeswoman, June Kane, said: "This horrific case just shows that this is happening worldwide, not just in Thailand, Sri Lanka and the Philippines where child sex tourism is rife. This has hit everyone with a bang."

(Reuters, AP, AFP)

Most African Immigrants Free After Paris Church Raid

By Craig Whitney
New York Times Service

VINCENNES, France — Almost all of the 210 illegal African immigrants expelled from a Paris church by the police Friday were free again Monday after official deportation attempts foundered on technical legal grounds.

Along with scores of men, women and children, 10 men who had been on a hunger strike for 52 days in support of the group's demands for official permission to stay in France went to a theater in the Bois de Vincennes to await the outcome of the deportation proceedings against 94 of immigrants.

Over the weekend, magistrates refused to keep scores of the immigrants in custody pending expulsion because the police had improperly made out the necessary warrants.

The immigration authorities themselves allowed the hunger strikers to go free from the military hospitals where they had been taken Friday, and all of them began taking nourishment again Sunday.

President Jacques Chirac and Prime Minister Alain Juppe said the government had no choice but to enforce strict laws designed to discourage foreigners from sneaking into the country.

But at the end of the day, government actions left most of the Africans free, if they want, to return to the limbo of clandestine immigration with hundreds of thousands of other people from former French colonies who trickled in before the clampdown came in 1994.

It has become increasingly difficult for these immigrants to find employers who would hire them without immigration papers — a felony under French law.

"These people have committed no crimes against people or property, and they are not trying to hide here," said Ariane Mnouchkine, the director of the theater that has now given the group temporary shelter for the second time in five months.

"They are not trying to keep the police from finding them here, and the police are not keeping them in jail. There is something abnormal about all this, and it's time for everybody to reflect on what happened and draw lessons from it," she said.

Lassana Ulibali, a 28-year-old single man from Mauritania who was in the Church of St. Bernard de la Chapelle when police raided it Friday morning, talked in the bright sunshine outside the theater about the difficulty of deciding what to do next.

"The police threw all our clothes and belongings away after they took us out of the church," he said. "They gave me until Sept. 12 to leave the country or face expulsion. But I've been here since 1990 and I have nothing to go back to."

Four of the *sans-papiers* — "those without papers," as they are called here now that government firmness has made them a *cause célèbre* with the leftist opposition and human rights groups — were flown to Mali over the weekend in a French military plane that was also deporting 52 other illegal African immigrants.

A national poll taken by the Ipsos Opinion organization for the daily Le Monde on Saturday found that 53 percent of the French disapproved of the police raid on the church, but there was an even split on opinion of how the government had handled the entire affair, with 46 percent in favor and 46 percent against.

What the muddled outcome showed, Le Monde said, was that the use of force in high-profile cases like St. Bernard's did not solve the underlying problem, which is that hundreds of thousands of people from poor, underdeveloped parts of the world will continue to find ways to come to the rich, developed part no matter how hard the authorities try to keep them out.

"I'm not for the borders being kept wide open for anybody who wants to come in, and I hope for a quick resolution of the problem of the people who are here," Miss Mnouchkine said.

"What we have is a genuine crisis on immigration, and we need some real reflection about how to deal with it," she said.

From another quarter, the far-right National Front lashed out Monday at the government for what it called "complete buffoonery" in deciding to let some of the undocumented aliens stay in France after all.

Monitors Weigh Move to Delay Municipal Elections in Bosnia

Reuters

SARAJEVO, Bosnia-Herzegovina — International monitors will decide Tuesday whether to postpone municipal elections in Bosnia because of alleged irregularities in registering refugees abroad, sources in the Organization for Security and Cooperation in Europe said Monday.

The decision by the OSCE, which is organizing municipal, cantonal, parliamentary and presidential elections under the Dayton peace agreement, would come one day before refugees from Bosnia are scheduled to start voting from outside the country.

Officials say irregularities in the registration of more than 600,000 Bosnian refugees around the world, representing about 20 percent of the country's total electorate, have distorted the ethnic mix of key towns.

Balloting in Bosnia is scheduled for Sept. 14, when Bosnians are supposed to elect municipal and cantonal assemblies, separate Muslim-Croatian and Serbian parliaments, a national House of Representatives and a three-way presidency.

A Sarajevo daily newspaper, Dnevi Avaz, which is close to Bosnia's Muslim nationalist SDA party, said Monday that the OSCE would postpone the municipal-level elections until the spring of 1997 because of the refugee registration problems. The SDA has a representative on the OSCE's Provisional Election Commission, its top rule-making body.

"I don't know what the source of the Dnevi Avaz report is, but it is consistent with what I have heard from Western diplomats and from inside the OSCE," said an OSCE staff member in Sarajevo who asked not to be named. He said there was growing speculation that the OSCE mission chief, Robert Frowick, had decided to postpone municipal elections but would wait for one more session of the election commission on Tuesday.

OSCE and independent monitors allege that Serbian refugees have been systematically discouraged from registering where they lived before the war. Instead, Serbian authorities were said to have directed the refugees to register and vote in strategic towns that had Muslim majorities before the 43-month Bosnian conflict, but are now underpopulated as a result of "ethnic cleansing."



Joerg Sarbach/The Associated Press

GERMAN FARMERS ROLL — Farmers in tractors protesting low beef prices Monday in Stenum, northern Germany, where about 1,000 farmers blocked roads. Agriculture Minister Jochen Borchert promised the protesters to uphold the ban on British beef, imposed in response to the outbreak of "mad cow" disease.

Turkey Indicts Kurds as Rebels

Compiled by Our Staff From Dispatches

ISTANBUL — A Turkish court has indicted leading members of a Kurdish party for allegedly forming an armed separatist group, lawyers and court officials said Monday.

Murat Bozlak, the leader of the party and other party executives will be tried under Turkey's anti-terrorism law, which has a maximum jail sentence of 22½ years, a lawyer for the pro-Kurdish People's Democracy Party said.

The case was reminiscent of a 1994 trial of Kurdish members of Parliament that brought condemnation from Turkey's Western allies and hindered Ankara's efforts for closer ties with Europe.

Lawyers for the People's Democracy Party said 41 people had been indicted for being linked to Kurdish separatist groups. Twenty-eight people linked to Kurdish parties have been in jail since June after masked youths tore down a Turkish flag at a party congress and replaced it with the banner of the pro-Kurdish Democracy Party.

A prosecutor said Monday he would demand the death penalty for Faysal Akcan, who is charged with treason for cutting down the flag. *(Reuters, AP)*

BRIEFLY EUROPE

Tapie to Leave French Assembly

PARIS — The businessman, leftist politician and convicted felon Bernard Tapie said Monday that he would resign from the French Parliament, the same week he becomes a movie star.

Mr. Tapie, a flamboyant former minister made famous by the variety of embezzlement, bribery and tax evasion convictions he has amassed in recent years, said his Wednesday film debut makes his role as politician one too many.

"I have paid too dearly for the mix of genres," Mr. Tapie told the radio station Europe 1. Mr. Tapie stars in the latest film from the director Claude Lelouch, "Men, Women, Instructions."

Mr. Tapie, who once owned the sportswear giant Adidas, was fined $60,000 and received a suspended sentence in early July after being convicted of misuse of funds leading to the bankruptcy of one of his other companies.

He has already lost his soccer team Olympique Marseille over a bribery scandal, his Paris villa over unpaid loans and his yacht over back taxes. *(AP)*

East German Is Spared Trial

BERLIN — A court removed a former East German Communist leader Monday from a group of defendants on trial for the shooting deaths of people trying to flee over the border, including the Berlin Wall, to the West.

Erich Mueckenberger, 86, was removed at the request of prosecutors because his poor health was delaying the trial of the other four defendants, the Berlin state court said.

Mr. Mueckenberger faced the most serious charges, including 47 counts of manslaughter where Communist guards shot and killed East Germans trying to flee to the West. A former party controller, he was the only remaining defendant who was a Politburo member when construction of the Berlin Wall began in August 1961.

Mr. Mueckenberger's poor health had limited testimony to two hours a day over 39 sessions since the trial began last November. The court said he would be tried separately in the future if his condition improved. *(AP)*

Russian Held in Prostitution Case

FLENSBURG, Germany — A 33-year-old Russian sought in the Netherlands for operating a prostitution racket was arrested on board a night train traveling from Denmark, border police in this northern German city said Monday.

Dutch authorities had been seeking the man for two years. He is suspected of being the leader of a gang that smuggles Russian women into the Netherlands and forces them into prostitution, according to German police. *(AFP)*

U.K. Bars Sale of Surgery Video

LONDON — The British government has secured a last-minute injunction to stop a controversial film of surgical operations from going on sale Monday.

After urgent talks at his ministry, Health Minister Gerry Malone sought and obtained an injunction suspending the sale of the video until judges meet Wednesday to decide whether the video should be banned.

The 50-minute video filmed at public hospitals shows surgeons carrying out open-heart surgery, gynecological operations and breast implants. The makers say the video is informative and educational.

Although the patients are not identified, Mr. Malone said the video contravened the principle of patient confidentiality. *(AFP)*

Greek Calls for Low-Key Campaign

ATHENS — Prime Minister Costas Simitis called Monday for a low-key campaign before snap elections on Sept. 22 with no big rallies, no personal attacks but with televised arguments on the country's problems.

"We say no to chicken fights, false promises, meaningless rallies and plastic flags," Mr. Simitis, a Socialist, said of his party's campaign plans. *(Reuters)*

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INTERNATIONAL

PLO Closes 2 of 3 Disputed Offices

It Says Action Will Deprive Israel of Excuse to Slow Talks

Reuters

JERUSALEM — PLO officials said Monday that Israel had no right to demand the closure of three Palestinian offices in East Jerusalem but that it had shut two to deprive Israel's prime minister of any excuse to slow peace moves.

The officials rejected Israel's charge that the offices were carrying out activities of the Palestinian Authority, which, according to an interim peace accord, is restricted to working in self-rule enclaves set up in Gaza and the West Bank.

"When these offices, which they claim are Palestinian Authority offices, are closed, we will strip Israel of any false excuses to continue freezing the peace process," an official of the Palestine Liberation Organization said. "We expect Israel now to reopen talks and to fulfill its commitments."

Meanwhile, Prime Minister Benjamin Netanyahu's office denied a report by Israel's state-run Channel One television that he would meet Yasser Arafat, the Palestinian leader, in two weeks.

Mr. Netanyahu has said he will talk with Mr. Arafat only when he deems it necessary for Israel's security.

Answering a "distress" call from Mr. Arafat, President Ezer Weizman of Israel said Sunday that he would invite him to his home but set no date.

Mr. Weizman made the announcement at a hurriedly called news conference with Mr. Netanyahu hours after a newspaper said the president had threatened to meet Mr. Arafat over Mr. Netanyahu's objections.

Discussing the offices in Jerusalem, PLO officials said Israel had demanded they be shut at a meeting between Netanyahu envoys and Palestinian officials in Gaza last week.

Palestinians view East Jerusalem as the capital of a future state. The city's fate is up for negotiation at final peace talks, which have yet to resume under Mr. Netanyahu.

The offices closed in East Jerusalem were the Maps and Survey Department and the Sports and Youth Office. The head of a third institution that Israel had demanded be closed, a vocational school, is resisting.

PLO officials said that all the offices were licensed by previous Israeli governments and were set up before the 1993 PLO-Israel peace deal.



Greg Mathieson/The Associated Press

WAITING TO BE OUSTED — Jahalin Bedouin women sitting outside their communal tents in the West Bank. The Israeli Supreme Court has ordered the Bedouins moved to allow for the expansion of a settlement.

Sudan Rebels Seize 6 Missionaries

Reuters

NAIROBI — Southern Sudanese rebels are holding three Roman Catholic nuns, two priests and another cleric in south Sudan for alleged spying, the Sudanese Catholic Information Office said Monday.

The office, in Nairobi, said rebels with the Sudan People's Liberation Army were holding four of the six in a jail and two in a mission compound.

It identified those being held as Sisters Moira Lynch, 73, Mary Batchelor, 68, and Maureen Carey, 52, all of Australia; Father Michael Barton, 48, of the United States and Father Raphael Riel, 48, of Sudan; and Brother Raniero Iacomella, 28, of Italy.

Zimbabwe Police Ready for Violence in Civil Servants' Strike

Reuters

HARARE, Zimbabwe — Armed riot police were deployed in the Zimbabwean capital Monday to keep watch over thousands of civil servants who were fired over the weekend for defying orders to end a strike.

In a show of force, the police, some armed with pistols, semi-automatic rifles and tear gas canisters, patrolled the town center and watched a city park where about 1,000 people milled, waiting for union leaders to speak to them.

Dozens more police were on guard at the University of Zimbabwe in Harare, normally a hotbed of opposition demonstrations.

Thousands of strikers, including state doctors, nurses, mortuary attendants and firefighters, spent four days last week in Africa Unity Square park, singing, dancing and denouncing the government for refusing to pay them salary increases of between 30 and 60 percent.

They said their salaries failed to keep up with annual inflation, which has averaged 22 percent over the last two years.

President Robert Mugabe's government said it had fired all the striking workers, estimated by some union officials at between 70 and 80 percent of 180,000 civil servants.

Many political analysts see the strike as a rare challenge to Mr. Mugabe and his Zimbabwe African National Union party, both in power since 1980.

Sunday night, Mr. Mugabe said he knew nothing about the civil servants' grievances.

Referring to the president, one worker said, "I got real angry yesterday when I heard him saying he wasn't aware of our grievances, because everyone else is aware."

Some senior civil servants told reporters there was confusion in government offices across the country about who had been fired and whether new workers should be recruited.

Only skeleton services were available during the strike, with state hospitals continuing to rely on help from personnel from the national army and from Red Cross medical departments. Zimbabwe state radio called on listeners to give regular weather reports from different areas in the absence of weather experts.

Financial markets in Zimbabwe shrugged off the civil servants' strike, but brokers on the local stock exchange said there was worry that if the industrial action was not resolved, it would hurt the national investment image.

The strike has divided Mr. Mugabe's government, with some members of Parliament and senior officials calling on the government to meet the strikers' demands and other cabinet ministers saying it was dangerous to back down to "mob rule."

UN Aide Goes To Iraq Again On Arms Hunt

Agence France-Presse

BAGHDAD — Rolf Ekeus, head of a UN special commission on Iraqi arms, arrived in Baghdad on Monday to ask officials to stop preventing his inspectors from searching sites suspected of hiding banned weapons, UN officials said.

The Security Council demanded Friday that Iraq provide complete and unrestricted access to its sites.

Iraq was warned by the Security Council that only full cooperation could lead to the lifting of a crippling six-year oil and trade embargo.

Iraq has blocked UN inspectors several times since it pledged in June to grant them unrestricted access to military sites. The latest incident occurred Aug. 17, UN officials said.

The agreement was reached in June by Mr. Ekeus and Tariq Aziz, Iraq's deputy prime minister, after a confrontation outside sites in the Baghdad area.

Mr. Ekeus, who was to meet with Mr. Aziz and other Iraqi officials, will "have intensive talks which will focus on all subjects," a UN source said.

Iraq not only prevented a search of a site outside Baghdad a week ago but also disrupted interviews that UN experts wanted to hold with Iraqi officials to clear up weapons questions, Mr. Ekeus said in New York before his trip to Baghdad, one of many.

His commission suspects that Iraq, which under UN resolutions must destroy or account for all its weapons of mass destruction, is concealing them on trucks or on trains and is moving components around the country.

DEMOCRATS: *A Debate on Direction*

Continued from Page 1

orate. While the president has personally prospered, polls underscore the public antagonism toward the kind of pro-government liberalism that animated the Democratic Party and its activist core for the last half century.

The party's moderate core, symbolized by the Democratic Leadership Council that Mr. Clinton led before he won the presidency, has triumphed in many of the intellectual arguments in the White House over the last two years — most notably Mr. Clinton's decision to sign a welfare reform bill, sponsored by the Republicans, last week.

But a newly resurgent Democratic left — symbolized by new leadership in organized labor — now provides much of the energy pushing the party forward.

The most basic problem confronting the Democrats is that on many of the broad issues of the day, the electorate is more in tune with the Republicans. "Certainly on the question of the role of government, the tone of public opinion is with the Republicans," said Andrew Kohut of the Pew Research Center. "On social programs, it is with the Republicans. On issues of race, it is with the Republicans."

Celinda Lake, a Democratic pollster, said that despite the missteps of the Republican Congress the last two years, hostility to the federal government remains high and support for shifting power away from Washington to state and local governments "is as strong as it ever was."

There is no question that the Democrats meeting here this week share a common purpose: to re-elect a Democratic president for the first time since Franklin D. Roosevelt and restore the party to power in Congress next January. But the condition of the party remains fragile, and the question of whether the Democrats are prepared to govern again is difficult to answer.

Should Mr. Clinton win re-election and the Democrats recapture control of the House or Senate, there are likely to be serious, internal differences over how quickly to balance the budget, how much to invest in education and the cities and job training and other social welfare programs, and how energetically the party should attack the growth of entitlements programs like Medicare and Social Security.

In fact, those debates will begin in Chicago this week. Both the Democratic Leadership Council and the Campaign for America's Future will hold seminars to offer their competing visions of a Democratic governing agenda.

Those debates, however, will play out against the backdrop of a party that has already responded to a changed public mood. The most substantial shift has been a de-emphasis on the kinds of cultural and social liberalism that dominated the party in the 1970s and 1980s.

There is no consensus on the party's economic message and underlying it is disagreement over the kind of coalition the party must assemble to win elections. In classic Clinton fashion, the political strategists from 1992 and 1996 are on different sides in the debate.

On one side stand the architects of the Clinton re-election campaign, who argue that Democrats must abandon the emphasis on issues that pit working- and middle-class Americans against the rich. Their goal is to reach suburban swing voters, particularly women, who reject themes of class warfare.

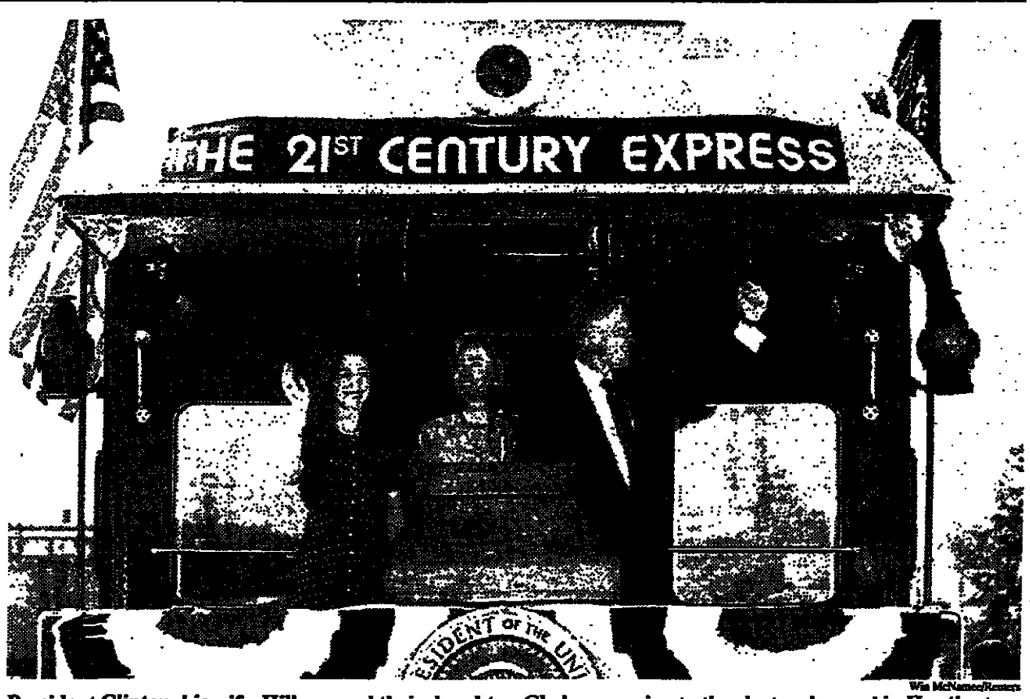
On the other side stand an array of Democrats who argue that a modified version of a clearly populist appeal on economics will provide a mandate to help a somewhat different constituency, the Reagan Democrats, particularly downscale white men.

In some respects, Mr. Clinton's 1996 campaign, orchestrated by his strategist, Dick Morris, and pollsters, Mark Penn and Douglas Schoen, represents a partial repudiation of the 1992 campaign.

The Morris-Penn team believes the crucial voting bloc this year encompasses relatively young, married suburban families with incomes from $30,000 to $65,000. These voters are seen as hostile to polarizing campaign themes and as not holding the kinds of economic attitudes and antagonism toward employers that have typified the working class in the country.

The 1996 campaign also rests on the premise that the climate has changed from 1992, when 60 percent of voters said they were concerned most about the economy. Today, according to the Clinton campaign, the range of important issues is far broader, including the decline of the family, the stresses of balancing work and family, crime rates, poor schools and cultural deterioration.

As a result, Mr. Clinton has focused on issues that appeal to a broader section of voters, including his campaign against teenage smoking, his support for school uniforms and teenage curfews, and his promotion of the V-chip to give parents more control over television content.



Win McNamee/Reuters

President Clinton, his wife, Hillary, and their daughter, Chelsea, waving to the electoral crowd in Huntington, West Virginia, as their campaign train left on the trip to the Democratic national convention in Chicago.

GORE: *His Conduct as Vice President Has Made Him a Role Model for Jack Kemp*

Continued from Page 1

Russia as a way to be sure that U.S. support for Russian economic reform remained at the top of both countries' agendas, have turned out to be more important than anyone imagined. With the wild swings in Mr. Yeltsin's moods and political fortunes, the prime minister has become the anchor point for U.S. policy, and the personal relationship between him and Mr. Gore a stabilizing force.

In a more general sense, administration officials say that Mr. Gore, who broke with most congressional Democrats to support Bush administration policy in the Gulf War, has been a hardliner in foreign policy debates.

When Mr. Clinton picked Mr. Gore as his running mate, he revived a career that appeared to have leveled off. His future, of course, depends not only on the outcome in November but on how Mr. Clinton and his government stand with the public if they are in office in 1999. If the administration loses favor, Mr. Gore's stock will sink.

Meantime, Mr. Gore is doing everything possible to make a challenge to him in 2000 look difficult.

His travel for Mr. Clinton — both political and official — has taken him into almost 500 American cities in the past four years. With his role in urban policy, he has built a web of close relations with big-city mayors across the country. He has met with local Democratic organizations and with the ethnic and interest groups allied with the Democrats. He has raised millions of dollars for the Democratic Party and its candidates.

In a real sense, this convention is a Gore coming-out party. Until Mr. Clinton arrives on Wednesday night, he will be the center of attention. He will give two prime-time TV speeches before his running mate gives one.

But if you ask Mr. Gore if this week is more of a showcase for him than for the president, and he expresses horror that anyone would think such a thought.

"From the beginning, I have defined my role in simple and crisp terms," he said. "I want to do everything I possibly can to help Bill Clinton be the best president he is capable of being."

His success in that role, attested by Mr. Kemp and almost every other politician in America, shows the vice presidency does not have to be the frustrating experience so many others have found it.

EMU: *New Voices Are Being Raised in Dissent as Date for Monetary Union Comes Closer*

Continued from Page 1

monetary union in which many, and some important, countries are not participating."

Mr. Hax, Mr. Romiti and Mr. Veltroni join a growing group of European leaders, including former Foreign Minister Carlos Westendorp of Spain, former Foreign Secretary Douglas Hurd of Britain, the head of the French National Assembly, Philippe Seguin, and the German opposition leader Oskar Lafontaine, who have all said that monetary union should be delayed.

The statements from Mr. Veltroni prompted Prime Minister Romano Prodi to respond Monday that there will be no delay in striving to meet the criteria for monetary union. There is no split in the government over the issue, said a government spokesman.

"We can't ask for a revision of the Maastricht criteria," Mr. Prodi told the Rome daily La Repubblica. "Italy cannot and does not want to do it."

"We can't and don't want to for a very simple reason," he said. The 1997 budget "is a message the markets need, the message they have to receive so that interest rates fall."

The German finance minister, Theo Waigel, is not planning to change his position with regard to the criteria and the timetable for monetary union, a spokesman, Juergen Block, said in response to questions on Mr. Veltroni's proposals.

"The member states have to make their decision in early 1998 and thus have more than a year to qualify," Mr. Block said. "The Maastricht criteria remain valid and monetary union should start up in early 1999."

Analysts said that while the Italian government remains committed to reaching the criteria for monetary union laid out in the Maastricht Treaty, it would secretly welcome a delay because Italy has few chances of trimming its budget deficit in time to qualify.

"Italy doesn't have the luxury of unilaterally not complying with the Maastricht Treaty, because it would be a disaster," said Giuseppe Abbotto, a bond analyst at Finanziaria Indosuez in Milan. "But if Germany and France agreed on a delay, Italy would hardly stop them."

To date, the strong support for monetary union among business and political leaders in Italy has been an attempt to compensate for the glaring fact that Italy is so far away from qualifying.

The Maastricht criteria have pushed Italian governments to trim spending, analysts said. Italy's inflation, another Maastricht target, is falling but remains the highest in the European Union, apart from Greece. *(Bloomberg, Reuters, AFX)*

Pretoria Convicts Former Colonel

The Associated Press

PRETORIA — A former police colonel accused of multiple murders and other apartheid-era crimes was convicted Monday in five of the killings.

Eugene de Kock could still be found guilty of more of the 121 charges against him. The judge, Willie van der Merwe, began reading the verdict Monday and only got through the first five charges before stopping for the day.

Mr. de Kock, 48, was commander of a police unit based outside Pretoria that was accused of carrying out murders and attacks against anti-apartheid figures. He is the highest ranked police officer to be convicted of crimes against opponents of the former white government.

Mr. de Kock has applied for amnesty from the Truth and Reconciliation Commission, which can recommend it for people who admit to their apartheid-era crimes. But legislation creating the panel prohibits amnesty for those guilty of heinous violations of human rights, such as murder and torture.

Mr. van der Merwe ruled Mr. de Kock was guilty in the killings of five men who were ambushed by police outside Nelspruit in eastern South Africa on March 26, 1992.

MOROCCO: *An Army of the Jobless Lines the Beaches Across From Spain, Its Target the Rich European Market*

Continued from Page 1

Tangier is that the sea passage is least hazardous in August.

Certainly, that is the view across the water, on the southern tip of Spain, where the police have stepped up patrols in boats and helicopters. At Tarifa, the Civil Guard said it had caught more than 1,000 people coming ashore illegally this year, at least 450 of them so far this month.

The police estimate that many more escape the patrols, particularly those who manage to land before dawn.

A few miles east of Tangier, in the port of Ceuta, the scenario is less dangerous and more complex. The cities of Ceuta and, farther along the coast, Melilla, are Spanish outposts in Morocco, leftovers from the 15th century when Spain expelled the Muslims and set up the two forts to watch out for new invasions. Spain has retained these two enclaves with the same zeal with which the British still hold Gibraltar directly across the strait.

Ceuta and Melilla have become magnets for sub-Saharan Africans, who, once they have entered the cities, know that they are on Spanish territory and therefore within the European Union, where internal borders have been virtually erased.

Black African immigrants, unlike Moroccans and Algerians, are less likely to take the smugglers' boats to the Spanish mainland, aid workers say, because few can pay the large fees. Moreover, if they do arrive there, their skin color draws more police checks.

Basilio Fernandez, the mayor of Ceuta, says immigrants arrive here from as far away as Rwanda, Liberia, Somalia and the Central African Republic. They invariably ask for political asylum but come for many reasons, trying to escape poverty or the unyielding ethnic tensions and violence back home.

Aid workers say the immigrants have heard on the grapevine that it is to their advantage to hide or destroy their documents and lie about their country of origin to gain time. Spanish police have only 40 days to expel someone arrested without a visa. If the person's name and origins have not been properly established within that time, the police must release the person and consider the asylum request.

In Ceuta, officials said more than 350 people from a dozen African nations were waiting for asylum papers. Some stay in a makeshift camp at Calcamorro on the edge of town.

There are families with small children, but most are single young men. Aid workers said some people are desperate because after a long and difficult journey, they find themselves trapped here for months.

A young man from Mali, speaking halting French and declining to give his name, said it had taken him five months to get to Ceuta. He had loaded trucks, unloaded trains and picked coffee and vegetables along the way to pay for fares and food. He slept in bus stations, in abandoned houses and in the desert.

Early this year he left home, he said, because his father, who has three wives and 17 children, told him to go to work.

"There was no work in Mali," he said.

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THE WORLD'S DAILY NEWSPAPER

Herald INTERNATIONAL Tribune
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Fighting Child Prostitution

In Manila there are 10 year olds who have sex with motorcycle-taxi drivers in return for two hours' worth of fares, about $6. In Bombay thousands of girls are held in brothels as prisoners, many in cages. By conservative estimates, a million children worldwide are forced, by parents, pimps or poverty, to sell sex. After neglecting this problem for too long, nations are beginning to treat it seriously.

On Tuesday in Stockholm, the world's first international conference on the sexual exploitation of children will open, with more than 100 countries represented. The conference seeks to raise awareness and explore strategies to fight the prostitution of children, child trafficking and pornography.

Especially in India and Thailand, many prostituted girls are essentially slaves. They are kidnapped or bought from their families in rural villages or in neighboring Nepal or Burma and taken to Bombay or Bangkok. There they are forced to work for years until their debt is repaid or they die of AIDS. Organized gangs and corrupt police and government officials enforce the system.

Most child prostitutes, however, are driven into the sex business by poverty. Girls and boys sell their bodies to help their families and to stay alive. Sometimes the pimps are their parents or older brothers. Their numbers soar in places with relatively wealthy foreign soldiers or tourists. But the vast majority of the men who buy sex from children are their countrymen.

Child prostitution is growing. Paradoxically, AIDS is one reason. Clients increasingly search for younger, supposedly healthier children. But since small children's flesh tears more easily, they are actually more susceptible to infection.

World attention to child prostitution has grown since 1990, when activists from four Asian countries founded ECPAT, for End Child Prostitution in Asian Tourism. ECPAT, Unicef and a group of organizations that work with children are sponsoring the conference.

Many governments are taking their first steps to combat child prostitution, although good laws are often not enforced. At least 10 countries have laws allowing prosecution of their citizens for having sex with children abroad.

In 1994 the United States adopted a law proposed by Representative Joseph Kennedy that makes it illegal to travel overseas for the purpose of having sex with children. Such intent is hard to prove, and no one has so far been prosecuted.

Third World countries are cracking down as well. One reason is that AIDS is making the cost of the sex industry more visible to governments that had been blinded by the tourist dollars.

Nongovernmental organizations that work on the issue are also growing. In the Philippines, the mayor of Manila shut down the city's notorious red-light district in 1992. Pressed by local organizations, President Fidel Ramos issued a law that year making it easier to prosecute men who have sex with children.

Unfortunately, Manila's child prostitution moved to other neighborhoods with a local clientele. The real solution is to prevent child prostitution by creating jobs in rural areas, persuading parents to keep daughters in school and educating women about their rights.

The Stockholm conference puts a welcome spotlight on a multibillion-dollar industry that exploits the world's most vulnerable citizens.

— THE NEW YORK TIMES.

Democrats Ascendant

It's hard to remember how thoroughly beaten the Democrats were two years ago as they head into this week's convention in Chicago. They and their agenda alike appeared to have been repudiated in the returns. A president who the year before had felt strong enough to urge Congress to restructure the entire health care system (albeit with a terribly flawed plan) was reduced to aping some of the themes that were thought to have brought the Republicans to office and to insisting that he was, too, relevant. House Democrats, who had lost control of that institution for the first time in 40 years, were literally speechless; they had no idea what to say.

Yet now it is the Republicans who are on the defensive. The president has recovered in the polls, the latest of which show him still well ahead of his rival. Even Democrats who don't like how he achieved the numbers acknowledge the political results. The party appears to have a chance at least of regaining seats if not control of Congress.

The Democrats have partly the Republicans to thank for the reversal of fortunes. Rarely has a political party squandered so great an advantage in so short a time. The Republicans overread the election returns on which their power depended and consequently overreached. They gave the Democrats the opportunity to brand them as destructive and extreme — and are paying for it.

But the turnaround also reflects some political transformation on the part of the Democrats, the president particularly.

He has made almost a career out of appropriating Republican issues and positions in the past two years — on civil liberties issues as well as social and cultural ones. His willingness to do this has become in both parties a kind of bitter joke.

In other realms, most notably foreign policy, he has carefully timed his initiatives and their risky duration to the election calendar, and like many a president before him, he has been downright wallowing in Rose Garden and other ceremonial opportunities that only a president can enjoy.

Last week the White House staged three bill-signing ceremonies to demonstrate how the president is managing even in a time of divided government to lead.

The welfare bill he signed on Thursday was a cave-in to the punishers that violates just about every principle the Democrats have ever professed or been thought to stand for, in the name of the principle that re-election comes first. The health insurance bill he signed on Wednesday is so-called incremental legislation that in 1994 he and other Democrats disdained for doing very little and only sounding as if it did a lot. Only Tuesday's minimum wage increase was vintage Democratic legislation, and while a major victory for the minority in the Senate especially, even it was an admittedly modest bill. It merely gets the wage back in terms of purchasing power to where it was in the Bush administration.

The first-year Clinton budget raised a lot of money by resharpening the income tax — raising the top rate — some of which was used to reduce the deficit and some to reduce, through an expansion of the earned-income tax credit, the taxes of the working poor. Through all the budget churning for the past two years, that major accomplishment has been preserved.

Likewise, the Democrats have mainly sought to reduce the deficit not because they have suddenly become converts to conservative fiscal policy but in order to replenish the Treasury and reduce the pressure to cut spending programs that a deficit otherwise creates. The Republicans last year tried to make the opposite use of the issue, calling for a balanced budget in part as a means of bringing about precisely the kinds of spending cuts the Democrats seek to avoid.

The Democrats led by the president mostly stuck to their guns and won that fight, too. The great exception was the dive the president took last week on welfare. They were generally successful last year in protecting the basic federal regulatory structure as well, including the civil rights laws.

The president said with fanfare earlier this year that the era of big government is over. But it isn't clear what that means. The biggest government programs are the various forms of aid to the elderly and the disabled — Social Security, Medicare and the bulk of Medicaid — that the Democrats seem most determined to protect. They presented themselves last year as protectors of Medicare particularly; their demagoguery on the issue helped drive the Republicans into the ground. But the money to sustain these programs in their current form is not in sight, and the Democrats have no idea where to find it.

That's our idea of a real problem. It's not one you're likely to hear the party much discussing this week in Chicago.

— THE WASHINGTON POST.

Turkey's Links With Iran Are No Cause for Panic

By Philip Robins

OXFORD, England — The recent visit by Turkey's new Islamist prime minister, Necmettin Erbakan, to Iran and the signing of a $20 billion gas deal have fired a range of emotions in Washington, from anxiety to anger. It just takes the words "Islamism" and "Iran," it seems, for sober analysis to be automatically jettisoned.

Already there is talk of a response, with everything from expressions of disapproval to economic sanctions against Ankara being mentioned. But before the United States is tempted into any form of action that might jeopardize the West's long-standing relationship with a trusted ally, let's put the issue in context.

The recently concluded gas accord must be put into its broader context.

- First, since Mr. Erbakan's Welfare Party emerged as the largest single party in Turkey's general election in December, he has leaned over backwards to be accommodating to the political establishment at home and to Turkey's traditional friends abroad. Although he has been in power only since July 8, the restrained nature of the coalition government has been nowhere clearer than in the realm of foreign affairs. On two key issues, Turkey's military accord with Israel and the renewal of the mandate for Operation Provide Comfort — which provides for the protection of the Iraqi Kurds — Mr. Erbakan has dropped his well-publicized reservations and opted for continuity in policy.
- Second, Mr. Erbakan's visit to Iran was just part of a wider tour that has seen him fly to Pakistan, Malaysia and Indonesia. This has not been a tour of pariah nations but a swing through a series of important regional states, middle powers much like Turkey. The fact that they are all predominantly Muslim allows the new Turkish prime minister a rare gesture — and it can be little more than that — to the Islamist constituency at home, which is seeking signs of what it considers a more balanced approach to foreign policy.
- Third, the signing of the gas deal with Iran was neither unexpected, nor does it spell the emergence of a strategic relationship with Tehran. In fact the two countries clinched the deal in principle well over a year ago, under the leadership of the strongly pro-American Tansu Ciller. It is true that the timing of the deal's conclusion was unfortunate, coming so soon after the U.S. Congress adopted legislation seeking to deter investment in the Iranian energy sector.

If anything, the agreement indicates less a new hierarchy of friends than Turkey's need for a rapid and large-scale expansion of energy imports over the next 15 years. In order to diversify its gas supplies away from a worrying over-dependence on Russia, Ankara is not cultivating just Iran. Liquid natural gas is already being imported from Algeria, and negotiations are continuing with Nigeria, Qatar and Turkmenistan. Iran has the commercial virtue of being closer and hence cheaper.

But the Erbakan journey to Tehran is not just about trade. It is also the latest chapter in Turkish attempts to stabilize relations with a large and potentially troublesome neighbor. Two years ago, while President Suleyman Demirel was paying his respects in Tehran, an authoritative Turkish columnist described Mr. Demirel as enjoying "a warm relationship" with his Iranian counterpart, President Hashemi Rafsanjani.

This consistently high level of engagement with Iran can be explained by Turkish security concerns, as well as by the desire to use economic interdependence as a way of promoting more stable, cooperative relations. Ankara has frequently claimed that it has suffered more than most at the hands of the Iranians: Kurdish insurgents operating in Turkey are widely believed to have used Iranian territory for their activities, and Iran has been accused of training and supporting Islamist terrorists in Turkey.

Because of the proximity of Iran, the porous nature of the Turkish-Iranian border and the need to contain the latent competition between the two over everything from influence in Central Asia to the future of Iraq, Turkey does not have the option of refusing to have anything to do with Iran. Even under the leadership of pro-Western, secular politicians, Turkey has followed the path of accommodation with Iran.

Ironically, because of his Islamist background, Mr. Erbakan might stand a better chance of stabilizing the mercurial relationship between the two than his Kemalist predecessors. If the United States was really thinking deeply about the stability of a trusted ally, it might actually welcome such an engagement.

Perhaps the West in general and the United States in particular should relax a little about Mr. Erbakan. We should by all means judge him by his actions, but let us view those actions in the context of his overall policy approach, and against the actions of secular, pro-Western Turkish politicians in the recent past. We should not take developments like the gas deal out of context and distort their meaning.

And here's a real clincher: The Turks are a proud and sensitive lot who do not take well to foreign interference. Selective criticism of Mr. Erbakan by Washington will help ensure that in Turkey's next general election, the vote for his Welfare Party will be higher than it otherwise would have been.

The writer is a lecturer on Middle East politics at the University of Oxford and is the author of "Turkey and the Middle East." He contributed this comment to the International Herald Tribune.

Meanwhile, Ankara Forges Central Asia Ties

IT IS NO easy thing to cut Russian losses and withdraw from Chechnya. For one thing, granting independence to the rebels would only hearten the many remaining non-Russian nationalities within Russia itself, such as the Tatars and Bashkirs, who might like to follow the Chechens' path at the first sign of Russian weakness.

Even more important, the Chechens have the misfortune to run afoul of Russian oil politics. Not only do the Chechens possess their own reserves, but their capital lies on the north slope of the Caucasus mountain range, athwart the natural route from the vast oil deposits of the landlocked Caspian basin to the ports of the Black Sea. The weak Russian economy is relying on oil revenue for a restorative, and, as it happens, Prime Minister Viktor S. Chernomyrdin rose to national power as the head of Russia's vast petroleum monopoly.

Russians are not alone in coveting these rich oil deposits. Most of the fields lie in areas inhabited by Turkic Muslims, formerly subjects of the Soviet Union. Russians in the government, and even more so in the military, are accustomed to regarding these regions as lying within their own strategic and economic backyard. The local people, who include the Turkmen, Uzbeks, Kazaks and Kyrgyz, naturally have other ideas, hoping to keep the revenues for themselves.

They now have important support from abroad. Turkey has long desired to form a coalition of Central Asian peoples, with whom they are linked by linguistic and religious ties. The idea of linking these Central Asian Turkic peoples, known as Pan-Turanianism, has been a periodic dream of Turkish leaders. The Soviet Union's disintegration has given new life and plausibility to the idea. During the past few years, Turkey has hosted several large Pan-Turanian conferences; it has also fostered cultural and political ties with Central Asian peoples. It is even widely rumored that Ankara has funneled weapons to the Muslim Chechens.

During the past several years, Turkish politics have been slowly turning away from the decades-long effort to integrate with Europe. Fed up with European racism and constant criticism of Turkey's human rights situation, Turks have been drawn to Islamic politics and a new look at an "eastern option."

In an important symbolic move, the government led by the new Islamist prime minister, Necmettin Erbakan, has signaled its new orientation by recovering the body of Enver Pasha, whom they will rebury in Turkey as a hero. Enver, one of the "Young Turks" who, with Kemal Ataturk, founded modern Turkey, died in 1922 while leading Central Asian Muslim rebels against the new Soviet state. He is the central romantic figure of modern Pan-Turanianism, and his reburial is a direct, if still symbolic, challenge to Russian authority in Central Asia.

— Steven Merritt Miner, a professor of Russian history at Ohio University, commenting in the Los Angeles Times.

Indonesia's Military Is Likely to Keep Its Sociopolitical Role

By Harold Crouch

JAKARTA — The recent military attack on the headquarters of the Indonesian Democratic Party and the subsequent crackdown on political opposition have focused attention on the political role of the armed forces in Indonesia.

They have provided the backbone of President Suharto's government since it replaced the country's first president, Sukarno, in the mid-1960s. Mr. Suharto is a former army general, and military officers routinely have been appointed as cabinet ministers, senior civil servants, regional governors, ambassadors and directors of state corporations.

The Indonesian armed forces have formulated a doctrine, known as the "dual function," to justify their political role. It asserts that they have a sociopolitical as well as a military responsibility, with a permanent right — indeed obligation — to participate in the government of the country.

The doctrine evolved from the army's experience during the nationalist revolution against Dutch colonial rule in the late 1940s, when officers worked as both military and political leaders. After independence, the officers claimed the right to political participation based on their contributions and sacrifices in the struggle for national freedom.

Mr. Suharto's generation of freedom fighters, however, retired from active military service in the early 1980s and was replaced by academy-trained professional officers. They cannot point to personal sacrifices in the revolution to justify a claim to rule in the post-Suharto era.

The dual function doctrine does not assert that the armed forces must always dominate the government. The military's ideologues have identified three levels of political participation — leading from the front, the middle and behind. When Mr. Suharto took power, the armed forces were leading from the front, but in the 1990s they say they are leading from behind.

In recent years, Mr. Suharto has reduced the direct military role in government. Although key posts such as the ministries of defense and internal affairs continue to be held by retired military officers, civilians have increasingly been appointed to cabinet and bureaucratic positions and as regional governors.

In the early period of his rule, Mr. Suharto shared power with his military colleagues, but now the military as an institution is clearly subordinate to the president. The military members of his cabinet are not nominated by the armed forces but selected by Mr. Suharto. Officers who displease him are dismissed at will, while many of the current leaders are drawn from the ranks of those who have served him personally as adjutants.

Will the military try to restore its political power in the post-Suharto era? The gradual civilianization of the regime in the last decade has led to speculation that Mr. Suharto might be preparing the ground for a civilian successor. The test will come in March 1998, when the 1,000-member People's Consultative Assembly is convened to elect the president and vice president. Mr. Suharto will then be 77 years old. It is widely assumed that if his health permits, he will run again for his seventh five-year term. It is possible that he might nominate a civilian as his vice president and presumed successor. But would the military accept a civilian president?

There is, of course, no easy answer to this question, but it seems certain that the armed forces will remain a major political force. Their power is largely derived from their territorial structure. They are not organized primarily to defend the country from external aggression but to maintain internal security. At least two-thirds of the army's troops are spread throughout Indonesia in territorial units that function parallel to civilian administration.

The units are responsible not only for maintaining public order but for watching political parties, nongovernmental organizations and religious and labor groups to make sure they do not mobilize political opposition. The military presence stretches from Jakarta to small regional townships and intimidates all potential opponents of the government.

When Mr. Suharto concluded in mid-1996 that the Indonesian Democratic Party, under the leadership of his predecessor's daughter, Megawati Sukarnoputri, might develop into a significant opposition force, he instructed the minister for internal affairs and the military's leaders to organize her removal. That proved the armed forces still have an extensive capacity to shape political developments.

In the post-Suharto era, the president will not exercise the same kind of personal authority over the military, which may then pursue its own agenda. And if a civilian succeeds Mr. Suharto, he or she would, to say the least, be vulnerable to military pressure.

The writer, a senior fellow at the Research School of Pacific and Asian Studies at the Australian National University in Canberra, is the author of "The Army and Politics in Indonesia." He contributed this comment to the International Herald Tribune.

Gun Violence, a 'Modern Plague'

By Bob Herbert

NEW YORK — The first thought of Police Officer Michael Robbins in the swirling, eerily quiet aftermath of the ambush was that he was going to die. He and his partner, Talmitch Jackson, were in their patrol car, the headlights off, in a dark alley on Chicago's South Side, and both had just been riddled with bullets. They were moaning and they were soaked in blood.

As Officer Robbins sank toward unconsciousness and what he believed was death, he thought of his mother, who had died several years before. He had a vague sense that he could see her, that perhaps in his extreme distress she was there, encouraging him, somehow conveying to him that he should struggle harder and that he would not die.

The attack occurred nearly two years ago, on the night of Sept. 10, 1994. An ex-convict with a semiautomatic weapon opened fire on the officers as they pulled into the alley to investigate a report of a gang disturbance. Officer Robbins, who was behind the wheel, was hit 11 times and Officer Jackson four times. Although grievously scarred physically and emotionally, both have since recovered.

As Mr. Robbins put it, referring to the extensive surgery he has undergone, "They opened me up like a fish but I'm O.K. now."

For the past several days Mr. Robbins has been working on a brief speech to be delivered Monday night in prime time at the Democratic National Convention. He planned to tell the delegates and the nation about the work he has done since the shooting as a leader in the fight against gun violence, which he calls a "modern plague."

Mr. Robbins heads a Chicago-based program that is part of the national HELP Network, an organization founded four years ago by Dr. Katherine Kaufer Christoffel, a pediatrician, to deal with the devastating public health consequences of gun violence in the United States. Simply stated, HELP's goal is to reduce the carnage, especially among children.

The statistics are appalling: More than 5,000 juveniles and 33,000 adults die each year from gunshot wounds. More than a million latchkey kids come home to a house or apartment in which there is a gun. The firearm homicide rate for males tripled between 1984 and 1993.

"This is an epidemic," Mr. Robbins wrote in a draft of his speech, "that is about 10 times as big, in terms of lives lost, as the great polio epidemic of the first half of this century. This new scourge paralyzes at least as many as polio did at its worst. It needs to be stopped."

Gun violence on television and in the movies is quick and clean and often glamorous. No approximation of the agonizing pain of the victim is ever conveyed. And seldom are there true accounts of the all but unbearable sadness that settles over the lives of the parents, wives, husbands, siblings, friends and lovers of those who are lost.

"I'm one of the fortunate ones," Mr. Robbins said in an interview last week. "I've been spared. I feel there has been some divine inspiration and you couldn't convince me otherwise. But it's been difficult. I've had to go through enormous changes. And not just physical, but emotional. Despair. Distress over my being assaulted like that. The anger. And just wondering about the recovery. You know, how much of my old self would I be able to get back?

"I was fortunate to have relatives, friends and coworkers who were able, sort of like Humpty-Dumpty, to put me back together again."

Mr. Robbins has bullets and fragments of bullets — what he calls "debris" — in various parts of his body. One bullet is lodged less than an inch from his spine.

The weather, he says, plays havoc with him. "This is Chicago, man. The weather here is rough, and if you have all that metal inside you, you're going to be affected. You get very stiff, very sore, and there's a lot of, sort of, achiness."

Michael Robbins has the honest and simple notion of public service. He talks about the problem of gun violence because he would like to spare others the fate that befell him.

"Convalescing," he said, "I felt as I did when I was in the navy. I wanted to do something to help my country. That's all I'm trying to do."

The New York Times.

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IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1896: Campaign Drive

NEW YORK — The Herald believes that many sound-money Democrats are confident that there can be no stronger third ticket than one headed by Mr. Watterson, but Mr. Watterson is not rich, and it is proper that the public, which is to be benefited by his candidacy, should meet the personal expenses necessary to the campaign. The Herald, therefore, heads the subscription with $5,000, and will receive contributions. In case Mr. Watterson is not nominated, the contributions will, of course, be refunded.

1921: Unrest in India

PARIS — [The Herald says in an Editorial:] The so-called "non-co-operation" movement in India has created a native unrest which has boded ill for the continuance of peaceful British domination. Gandhi, mystic, fanatic, doctrinaire and politician combined, has preached the gospel of non-militant opposition to British rule, which, in fact, means its nullification without violence. But the inevitable result of this teaching is violence. Perhaps Gandhi has known this as well as anyone else.

1946: Palestine Talks

LONDON — The British Foreign Office announced tonight [Aug. 26] that London conferences with Arabs and Jews on the future of Palestine would begin September 9. Invitations have been sent to the governments of the Arab states, to the Jewish Agency for Palestine and to the Arab Higher Executive in Palestine. Today's announcement gave no indication whether the scope of the talks would go beyond the plan, accepted by Britain, as a basis for negotiation.

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صكذا من الأصل

OPINION/LETTERS

If Putting Poor to Work Is the Aim, Substance Abuse Must Be Treated

By Joseph A. Califano Jr.

NEW YORK — Substance abuse and addiction have changed the nature of poverty in America, but the welfare reform legislation that the Republican Congress passed and that President Bill Clinton signed last week ignores this grim truth.

As a result, the new law will probably drive thousands of women and children into homelessness and break the back of state and local foster care systems, which are already struggling to care for their charges.

At least 20 percent of women on welfare — as many as one million mothers — have drug or alcohol problems severe enough to require treatment. Without help they will not be able to go to school or receive work training, much less hold down a job.

Yet the new welfare law does not mandate that the states provide any kind of drug or alcohol treatment.

Instead, under the law, women addicted to drugs or alcohol could be considered able-bodied, and therefore they and their children could be tossed off the rolls in two years. Since the average woman on welfare has two children, by late 1998 hundreds of thousands of children are likely to join the homeless or become even more mired in poverty.

The only provision concerning substance abuse in the law visits the sins of the parents on the children by reducing benefits for any family in which the mother is convicted of a drug-related felony.

To appreciate why this law will fail to put women to work, it is important to recognize who is on welfare and for how long. It is difficult to know the precise number of welfare recipients with substance abuse problems. The government does not want to spend the money to find out.

Politicians find it easier to pander to resentment of "welfare queens." Welfare agencies hesitate to disclose how widespread the problem is for fear of prompting even more draconian steps to "throw the bums off welfare."

But according to experts' best estimates, almost 30 percent of women and children on welfare are there for less than a year during their entire lives. About one-third of the adults who stay longer or who repeatedly slip back on the rolls have serious alcohol or drug problems.

At least 20 percent of women on welfare have drug or alcohol problems severe enough to require treatment.

If those who want to end welfare as we know it do not put up the money to treat mothers who need help, who will? State and city foster care systems across the country are already collapsing under their caseloads.

And drug and alcohol abuse is the biggest culprit. A stunning 77 percent of the $775 million New York City spends each year on foster care is due to drug and alcohol abuse.

The welfare law's failure to require states to finance drug treatment is especially damaging to pregnant women. Drug and alcohol abuse can do serious damage to a fetus. Walk into any urban hospital, and you can see what a baby born addicted to crack or heroin looks like.

Indeed, due largely to substance abuse and addiction, the District of Columbia has the infant mortality and morbidity rates of a developing nation.

It will not do to blame women on welfare for their plight by pointing out that a high percentage of them abuse alcohol and drugs.

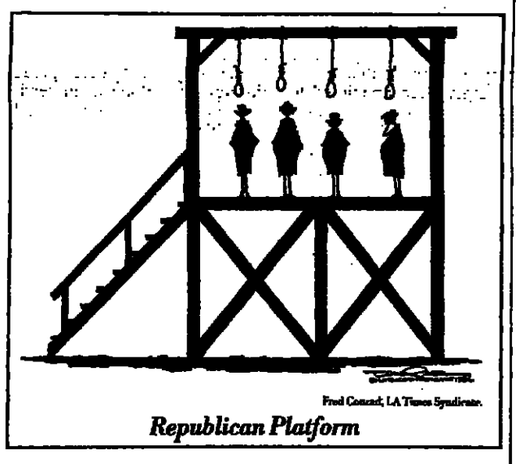
But these women are in large measure victims of their own poverty. A recent study by the National Center on Addiction and Substance Abuse reveals that women with a household income below $15,000 are the least likely to try an illegal drug, while women with household incomes of $75,000 or more are the most likely.

But only 1 of 24 women in the high-income bracket who tries a drug becomes an addict, while 1 in 6 of the poor women gets hooked.

Poor women often do not have the hope for a better life that can motivate an individual to quit. And when they are motivated, they often do not have access to treatment.

Sadly, nothing in the new welfare law is likely to change that.

Joseph A. Califano Jr., secretary of health, education and welfare in the Carter administration, is president of the National Center on Addiction and Substance Abuse at Columbia University. He contributed this comment to The New York Times.



Fred Content, LA Times Syndicate.

Republican Platform

LETTERS TO THE EDITOR

Elections in Bosnia

Regarding "Who Will Stand Up for Free Elections in Bosnia" by David L. Bosco and "Minimal Prerequisite Conditions Haven't Been Achieved" by Anna Husarska (Opinion, Aug. 16):

The one-two punch given the Bosnian electoral process by the two writers is representative of a short-sighted school of thought. As one of the international functionaries charged with organizing what Mr. Bosco called a "rushed and misguided" process, I take exception to the characterizations and wish to correct some of the facts in the two articles.

The organization of these elections is not totally an international affair. Although the Organization for Security and Cooperation in Europe is charged with supervising the conduct of the elections, the balloting is being administered in partnership with 140 local election commissions charged with many election day responsibilities.

The Provisional Election Commission has three members, of a total of seven, representing the Croatian, Serbian and Bosnian constituencies. It is a working model of a multiethnic deliberative body. The deputy director general is a public administrator experienced in both the 1990 election and the 1991 independence referendum.

Although incumbent parties always have the advantage, the OSCE has established a 7.5 million Deutsche mark fund to level the playing field to some extent and provide political parties with financing for advertising, office expenses and some travel reimbursement. The funds are administered on a cost-reimbursement basis according to a formula that makes awards on the basis of the number of contests in which political parties and independent candidates are participating. This funding can potentially alter the political landscape of the country.

Many observers, myself included, argued that a six- to nine-month time frame would be problematic for the organization of elections on this scale. But that time frame was a condition of peace in the Dayton agreement. If the international community does not respect the rules set forth in the agreement, how can we expect compliance from the voters?

A delay would be a victory for the forces of nationalism, opportunism and destabilization; it would worsen the uncertainty that currently exists for the people of Bosnia-Herzegovina in choosing their first post-war government.

JEFF FISCHER.
Sarajevo.

The writer is director general of elections with the Organization for Security and Cooperation in Europe.

Holding Up a Treaty

Regarding "America's Head-in-the-Sand Posture on Chemical Weapons" (Opinion, Aug. 24) by Tom Reiss:

Mr. Reiss may be right about the U.S. military's checkered history in dealing with chemical agents. He is wrong about why the Chemical Weapons Convention has not been ratified by the United States.

A small band of senators has delayed acting on the accord, which will finally come to a vote next month. Ratifying this agreement will make all Americans safer.

STANLEY A. WEISS.
Gstaad, Switzerland.

Tips for Keeping Convention Viewers Awake

By Tom Shales

WASHINGTON — What should the Democrats do? How can they make their convention even more telegenic than the Republicans"?

A few suggestions:

1. Call the whole thing off. Since there's zero suspense about who the presidential nominee will be and

MEANWHILE

even less about whom he'll choose as his running mate and about where the party stands, give the American people a break. Let 'em watch their usual lineup of stale network reruns.

2. Replay the 1968 convention. Now there was an exciting little clambake, the most eventful of modern (TV) times. Many people alive today weren't alive then to see it for themselves. Now they can: riots, fisticuffs, clobberings, curses, Dan Rather being Dan-handled, Walter Cronkite in just such a snit!

3. Replay the 1992 Republican convention. Here's a chance for the Democrats to show the Republican Party at its worst rather than, as it was in San Diego, at its best. Trot out cranky Pat Buchanan again for a rerun of his mean old nasty speech and its calls for exclusion rather than inclusion. Show the surly wolf lurking under the new happy sheep's clothing.

4. To counter Elizabeth Dole's spectacular Oprah-style routine: Hillary vs. Tipper, no holds barred.

5. Have Johnny Carson, the old late-night host, do the keynote speech. If there's anybody Americans miss more than Ronald Reagan, it's Johnny. Johnny, where are ye?

Business as usual? How tedious. What the Democrats need is a talk-show host.

6. Have Jay Leno do the opening monologue. Okay, he's only one-eighth the man Johnny is, but he's still better than nothing — and infinitely funnier than, say, Al Gore. (Did somebody say "Who isn't?"?)

7. Have the disk jockey Don Imus do the — no, never mind. There must be limits.

8. Never mind the private performance at the party for nabobs and poobahs — hire Barbra Streisand to sing the national anthem on TV where we can all enjoy it. She adores Bill Clinton and worked a tribute to him into her last concert tour, so it's not much of an imposition. Her version of "The Star-Spangled Banner" may well take up about 10 minutes, with applause and encores taking up the rest of the hour. Let's see Peter Jennings try to interrupt that!

9. Make it possible for some lucky viewer to win $40 million!!! There could be some kind of lottery, and President Clinton and Vice President Gore could hop out of a van and surprise the winners at their home, à la Publishers Clearing House. Or there could be a "Find Hillary" contest in which the first lady is tucked into the vast crowd of delegates and the first viewer to spot her wins. (Sam Donaldson not eligible.)

10. Do the Macarena — the dance sensation that is sweeping the nation!

11. Have George Stephanopoulos fall off the stage and get Binti the Chicago gorilla to come out and rescue him. Yo, Binti! Actually, after she rescues him and realizes who he is, she could throw him off the stage again.

12. If John Wayne can be brought back for a beer commercial, and

Maybe George Stephanopoulos could fall off the stage and Binti the Gorilla could save him, and then throw him back.

Gene Kelly can be brought back for a Coke commercial (all through the miracle of old film clips and Forrest-Gumpy trick photography), why not bring back Franklin D. Roosevelt, Harry Truman and John F. Kennedy and show them parading down Pennsylvania Avenue with President Clinton? Maybe even bring back Jimmy Carter, too. Oh wait — he's still alive.

13. Limit Mr. Clinton's acceptance speech to a mere two hours. Include commercial breaks so a viewer can go to the bathroom, get a soda or maybe light up a cigarette.

The Washington Post.



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Style

TOMORROW: STAGE

High-Tech Sports Gear Goes Universal





Donna Karan (left); Polo For Boys

Even the preteen generation is getting into gear with performance sportswear once reserved for athletes.

By Robin Givhan

WASHINGTON — The young fellas cruising down the city streets, hanging out in the parks and dancing in the clubs are decked out in sportswear with a very different purpose: for running, cycling, Rollerblading, hiking. The logos screaming from their T-shirts say Polo, DKNY and Nautica. This street gear is sleek, sometimes metallic and stitched out of fabrics that a decade ago weren't even on the market or would have been reserved for the most elite athletes.

They're wearing performance sportswear. It's a new category of leisure wear and it is the look of choice for men who are young, hip and slim — and for some of their younger brothers and sisters.

Performance sportswear refers to clothing that focuses on the needs of the athlete rather than the casual wearer, says Michael May, spokesman for the Sporting Goods Manufacturers Association. The fabrics often are water resistant, wind repellent and aerodynamic.

But what separates performance chic from the stuff worn by athletes at the Olympics isn't the high-tech fabric or the sport-specific purpose, but rather the styling. Olympians were dressed by companies whose reputations are built on serious athletic apparel: Champion, Reebok, Speedo, Adidas.

Performance chic is overwhelmingly about style. The silhouettes often are body-hugging; the colors are bold; and, the famous designer brand names are written in huge, glaring letters. These garments come down the New York runways on well-muscled, well-paid male models. The models may be real athletes or they may only look like they are. The point is that they look good.

Nautica, for instance, launched a spring advertising campaign using real athletes who were often mistaken for models. Ralph Lauren, however, sticks with the sculpted, muscular physique of model Tyson Beckford, who only looks as if he could run the 100 meters in just a hair over nine seconds.

Adult style and children's fashions often are mirror images of each other, sharing similar silhouettes, fabrics and colors. So designers are enticing young kids with duds that imitate the high-performance style favored by their older siblings. There are miniature bike shorts, tiny cycling jerseys and body-conscious looks for prepubescent physiques.

IT'S the styling that has taken the clothes to the streets. The first signs of movement began about 10 years ago when technology and fashion began to merge. Lycra Bike shorts became common leisure wear among those who hadn't been in the saddle in years. Demi Moore even tucked a pair under a cutaway ball gown and called it an Oscar ensemble.

Close-fitting cycling jerseys became popular as fashions became more body conscious. President Bill Clinton wore a Timex Ironman sports watch to a formal inaugural ball. Chanel sold high-top sneakers. The hooded sweatshirts worn by bicycle messengers were taken into offices by trendy young men.

In the past, manufacturers created knockoffs. Average folks didn't need exact replicas. But as sportswear has become more technologically advanced with fabrics like Dri-Fit, Coolmax and Nautex, that "wick" moisture away from the surface of the skin, nonathletes have realized that these clothes are great for staying cool during a fast walk to work on a muggy morning.

People want authenticity. And designers are prepared to give it to them.

Nautica designer David Chu prides himself on creating style-conscious performance sportswear that actually works. Much of the inspiration for Nautica Competition — his version of high-tech sportswear — came from his work dressing the America's Cup team.

Ralph Lauren wants his Polo Sport line out there on young men who actually are climbing mountains and racing bicycles. Members of his staff speak knowingly about "breathable" fabrics and wind-resistant jackets.

And young men are wearing performance sportswear to tackle the urban landscape. They boast about wearing breathable, water-wicking sportshirts in order to get through a marathon-of-a-summer riding the hot, sweaty New York subways.

Robin Givhan, who writes about fashion for The Washington Post, wrote this for the International Herald Tribune.

Power Dressing Revisited as V&A Salutes Savile Row

By Paula Deitz

LONDON — Napoleon may have lost the Battle of Waterloo to the British, but he permanently revolutionized men's fashions across the Channel by inventing elaborate dress at court.

Having destroyed the ancien régime, the emperor had created the trappings of his new one by assigning richly braided civil uniforms to his inner circle. In England, nothing would do for George IV after his long years as prince regent but to have a coronation in 1821 every bit as resplendent as Napoleon's in 1804.

This fact is one of many fascinating ones illuminated by "Dressing the Part: Henry Poole & Company," an exhibition at the Victoria & Albert Museum that chronicles the rise of one of the most influential tailors here on Savile Row.

Napoleon gave the company its start in a more direct way. As a result of the deposed emperor's escape from Elba, a young linen draper in London named James Poole joined a volunteer corps and, as was the custom, made his own uniforms. So expertly cut and stitched were these tunics that other volunteers ordered them, prompting him to establish a tailoring emporium soon afterward on Regent Street. His son and apprentice, Henry Poole, who in 1846 inherited a thriving business, later attracted the hunting set, and the showrooms, moved to Savile Row, were soon filled with customers ordering their hunting outfits.

In another victory for the British, the company served as court tailors to Napoleon III. Ledgers at the show document the evolution of dress and social mores upheld today by Angus H. Cundey, who represents the sixth generation of the family to run the concern.

THE show offers a storybook view of the past in the shape of ornate uniforms, festooned with braid and shiny buttons, worn alike by the military, courtiers and household servants.

One surprise is how recently (1937) an American like J. Pierpont Morgan would order velvet court dress with sparkling buttons, an outfit that came with a sword and its own metal box. He wore it only once.

The hero of modern fashion was Edward VII, who as Prince of Wales adopted the lounge coat, or jacket, for daily wear in the 1850s and then requested his tailor to make one in black and face it with silk for a dinner jacket that was worn at men-only dinners. But the real sign of the Imperial times came when the accompanying waistcoat gave way to the cummerbund, adapted from local costume by British military officers serving in India. Who would ever have dreamed then that this outfit would end up as the favorite of young American men at senior proms?

By the same token, uniforms worn by present-day doormen originated in household livery that "was developed to distinguish between two great families who traveled to sporting events with an entourage not unlike armies encamped on a battlefield," said Avril Hart, a curator of the show.

The exhibition demonstrates how standards are maintained in the face of new requirements. For example, with the advent of central heating, the elegant double-breasted blazer gave way to a single-breasted one. Having dressed Charles Dickens in tails for his dramatic readings, Sir Winston Churchill in his black jacket and striped trousers for public life, and Charles de Gaulle in uniformed splendor to save France, Henry Poole continues to be a tailor of choice for the powerful.

The exhibition proves the point that the clothes were made to last.

Paula Deitz, co-editor of The Hudson Review, wrote this for The New York Times.



Winston Churchill, a client of Henry Poole & Company, circa 1936.

The Illustrated London News Picture Library

BOOKS

NOTES FROM A SMALL ISLAND: An Affectionate Portrait of Britain

By Bill Bryson. 324 pages. $25. William Morrow & Co.

Reviewed by Michiko Kakutani

AS the title of this book suggests, the American writer Bill Bryson has not written your usual sort of travelogue. He has not tried to give us a dispassionate assessment of contemporary Britain or a reportorial tour of its cities and provinces. What he has written instead is an unabashed love letter, an affectionate inventory of the virtues of his adopted homeland.

Having lived in Britain for nearly two decades, Bryson decided last year to make a sort of farewell tour of the island before returning home to the United States with his wife and children.

He would spend several weeks traveling about the country, from London down to the south coast and north through Manchester and Liverpool to Scotland; along the way, he would make some casual notes and try to dissect his abiding love for the country. The resulting book is an engaging, if somewhat self-indulgent, antidote to Paul Theroux's dyspeptic 1983 volume, "The Kingdom by the Sea."

Whereas Theroux saw poverty, unemployment, violence and dull-witted-ness, Bryson sees optimism, humor and achievement. He loves the country's curious pronunciation of words (Cholmondeley as "Chumley," Belvoir as "Beaver"). He loves its genius for names (prisons named Wormwood Scrubs and Strangeways; villages named Whiterashes, Mockbeggar and Blubberhouses).

Perhaps most of all, he loves its "incidental civilities": "cheery red mailboxes, drivers who actually stop for you at pedestrian crossings, lovely forgotten churches with wonderful names like St. Andrew by the Wardrobe and St. Giles Cripplegate, sudden pockets of quiet like Lincoln's Inn and Red Lion Square, interesting statues of obscure Victorians in togas, pubs, black cabs, double-decker buses, helpful policemen, polite notices, people who will stop to help you when you fall down or drop your shopping, benches everywhere."

Although Bryson glosses over many of Britain's problems, he is not a complete Pollyanna. In the course of his travels, he notes that northern Britain lost more than a million jobs during the early 1980s and that scores of factories have closed.

Anonymous concrete and glass edifices have sprung up around the country, he says, and many small English towns have become indistinguishable from one another: "They all have a Boots the Chemist and W.H. Smith bookshop and Marks & Spencer department store."

Oxford, especially, has earned his displeasure for its careless treatment of the past, its disfigurement of the landscape with such architectural atrocities as "the horrible, low-ceilinged, ill-lit drabness" of the Clarendon Shopping Center, the "equally unadorable" Westgate Shopping Center and the "brutalist compound of the magistrates' courts."

Still, Bryson's disdain for Oxford cannot suppress his delight in its history and achievement. He marvels that he can walk through its streets and in the space of a few hundred yards pass "the home of Christopher Wren, the buildings where Halley found his comet and Boyle his first law, the track where Roger Bannister ran the first sub-four-minute mile, the meadow where Lewis Carroll strolled."

The author of several books on language ("Made in America," "The Mother Tongue"), Bryson writes in snappy, novelistic prose that's seasoned with little-old-lady Britishisms. "Goodness me!" he exclaims when he catches himself railing against Oxford's modern architecture. Elsewhere, trying to recover from a hangover, he laments that all he wanted was "a bit of a sit-down."

There's a tendency on Bryson's part — shared by many travel writers — to focus on the eccentric and the anomalous, and also to make overly broad generalizations. For the most part, however, he is an entertaining travel companion, curious, whimsical and observant.

Michiko Kakutani is on the staff of The New York Times.

CHESS

By Robert Byrne.

AFTER 57 moves, game 8 of Gata Kamsky and Anatoli Karpov's FIDE championship match was adjourned.

Shortly before play stopped, Karpov sacrificed a pawn to obtain a draw by perpetual check.

CARO-KANN DEFENSE

White Kamsky	Black Karpov	White Kamsky	Black Karpov
1 e4	c6	29 g3	Qe6
2 d4	d5	30 Rd1	Rad7
3 Nd2	de	31 h4	Rd6
4 Ne4	Nd7	32 Rd2	Qe1
5 Ng5	Ngf6	33 Ka2	Qe7
6 Bd5	e6	34 Qf3	Qe6
7 N1f3	Bd6	35 Re2	Qc8
8 Qe2	h6	36 Qd3	Rc6
9 Ne4	Ne4	37 Kb1	Re6
10 Qe4	Nf6	38 Re3	Qc6
11 Qe2	Qc7	39 Qd2	Re3
12 Bd2	b6	40 Qe3	Qe6
13 0-0-0	Bb7	41 Qd2	Rd6
14 Ne5	c5	42 g4	Qf6
15 Bb5	Ke7	43 g5	Qf5
16 dc	Qc5	44 Ka2	Qf5
17 a3	Qc7	45 c3	Qf3
18 Bf4	Nd5	46 Rf4	Qb3
19 Bg3	Rhd8	47 gh	Qe6
20 Rd4	Kf8	48 Qd4	Qh6
21 Kb1	a6	49 Rf8	Qe6
22 Rc4	Qe7	50 Re5	Qd7
23 Nc6	Bc6	51 Ka1	f8
24 Bc6	Ra7	52 Re3	Rc6
25 Bd5	ed	53 h5	Re4
26 Bd6	Qd6	54 Qb8	d4
27 Rd4	b5	55 Rd3	Qf5
28 Qd3	Kg8	56 Rd4 Adj.	Rd4

This was the first time in the match that Kamsky met the Caro-Kann Defense with the classical 3 Nd2 rather than the Panov-Botvinnik Attack, with 3 ed cd 4 c4. After 3...de 4 Ne4, Karpov chose, as he usually does, the most careful, conservative development, promulgated by Aron Nimzovich in the 1920s: 4...Nd7.

Though it may look premature, 5 Ng5 is venomous, anticipating 5...Ngf6 and delaying the exchange of knights. Black has such traps to avoid as 5...h6? 6 Ne6! Qa5 7 Bd2 Qb6 8 Bd3 fe 9 Qh5 Kd8 10 Ba5, winning the queen.

Karpov's 14...c5 may look reckless, but it is not quite what it seems. The alternative, 14...O-O?! would run into a powerful attack from 15 Rg1 and 16 g4, whereas after 15 Bb5 Ke7, the black king is easier to defend in the center.

On 16 dc, it would be a blunder to play 16...Be5? 17 cb Qc5 18 Qe5! Qe5 19 Bb4 Qc5 20 Bc5 mate.

Karpov has had the position after 17 a3 several times before and has had trouble with 17...a5. This time he tried to avoid weak squares with 17...Qc7.

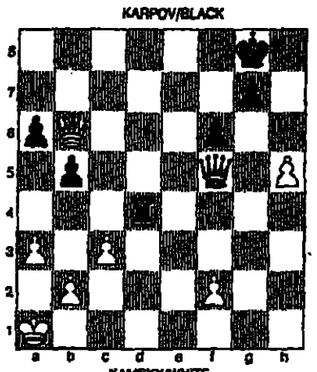
Kamsky bored in to exploit the hole at c6 with 23 Nc6, but the only fruit of his effort after 23...Bc6 24 Bc6 Ra7 25 Bd5 ed 26 Bd6 Qd6 27 Rd4 was Karpov's isolated d5 pawn. Kamsky devoted the next 20-odd moves to trying to capitalize on this slight weakness, but since Karpov had no other problem, the task was a grim one indeed.

The practical rule is this: you have to put opponents through such uncomfortable paces because, if the positions were reversed, they would be torturing you.

Kamsky avoided a trap after 47...Qe6: 48 hg? d4 49 Kb1 dc 50 Qc3 Rd1 51 Kc2 Qe2 52 Kb3 Rd3 wins the white queen. Then the players went back to their trench warfare, White piling up on the d pawn, Black making sure the sandbags did not leak.

At adjournment, one plausible continuation would be 57 cd Qf2 58 Qa6 Qf1 59 Ka2 Qc4 60 Kb1 Qd3 61 Kc1 Qe3 62 Kc2 Qe2 63 Kc1, etc.

KARPOV/BLACK



KAMSKY/WHITE

Adjourned Position

Cyberdecor: It's Mouse Beautiful

Washington Post Service

NEW YORK — Cyber decor is here. It's as simple as attaching a special bud vase to the side of your Mac.

ESCADA
in Paris
NEW COLLECTION
FALL WINTER 1996
Marie-Martine
8, rue de Sèvres,
Paris 6th
Tel: 42 22 18 44

Computers have become a fixture of the interiors of our homes as well as our work spaces. And yet computers themselves never quite made the transition from office to home. They have always looked, well, clunky and institutional. They could use some humanizing.

So designers have cast their nets into the computer corner.

At the New York International Gift Fair, there was a definite cyberbuzz in the cavernous trade show hall, which twice-yearly becomes fragrant with the smell of a thousand aromatherapy candles.

Streamlined computer document clips, Italian designer mouse pads, minimalist metal message holders and metal pencil cups that stick to the side of a monitor are creating a stylish aesthetic in the bland world of screens and keyboards.

"It's a great new category," says Jack Markuse, who distributes the high-end Italian Alessi products in the United States.

He's got playful metal letter openers and pencil cups and has plans for computer diskette holders and other items. "The home office is the single largest growth opportunity in this field," he said.

Learning to live with computers in the den, the bedroom and the kitchen has been a challenge. These boxy, clunky machines don't add much to interiors. A few well-placed desktop items or special computer-friendly tchotchkes could make the whole package look less impersonal.

Many small retailers have gotten caught up in the growing interest in designer mouse pads. The National Building Museum has just licensed its first mouse pad design, depicting the terra-cotta frieze of Civil War soldiers that encircles the building.

And here's an icon for the '90s, sure to be big on the under-$15 office gift circuit: the Computer Bud Vase. Just call it part of the new information-highway beautification program.

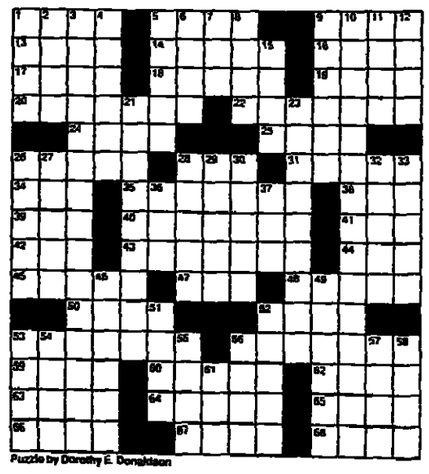
CROSSWORD

ACROSS

1 "Waterloo" pop band
5 First of a familiar trio
9 Border on
13 Action word
14 On the up and up
16 —— of one's existence
17 Prefix with -logue
18 Acid/alcohol reaction product
19 Bygone Fords
20 Long-distance communications?
22 Cars discontinued in 1960
24 Shoelace problem
25 Environmental study: Abbr.
28 Farrylike
29 Director Peckinpah
31 Expressions of approval
34 —— Juana (name in old Mexico)
35 Embark on a voyage
38 Top dog, for short
39 Owns
40 Second of a familiar trio
41 "Cool"
42 Bankbook entry: Abbr.
43 Contacted by shortwave
44 Pilot's announcement, for short
46 Places for needles
47 "—— the season . . ."
48 Creme cookies
50 Armchair athlete's channel
52 Abbr. on a love letter
53 Ship's platform
56 The least possible
59 "Oh, sure"
60 Fog
62 Missile storage site
63 Grasslands
64 Idolize
65 Outside: Prefix
66 Actor Talbot
67 Moved rapidly
68 Worn out

DOWN

1 Budget rival
2 George Eliot's Adam
3 Food in a bowl
4 Improved: Fr.
5 Winter driving hazard
6 Robert Stack TV role
7 Ten-percenter: Abbr.
8 Like Hamelin's piper
9 In flower
10 Place name on a 3-Down box
11 Nullify
12 Hardy girl
15 Genealogist's handiwork
21 Force into service
23 Reduce
26 Principles of good conduct
27 Tropical vine
28 German town
29 Computer code
30 Powerful sharks
32 Marvy
33 Ice cream drinks
36 Historical period
37 —— de France
46 African fly
49 Elevates
51 "Super" star
52 Fathered
53 Leave no part empty
54 Follow instructions
55 Footballer's protection
56 Sir Thomas
57 Voice below soprano
58 Booty
61 Third of a familiar trio



Puzzle by Dorothy E. Donaldson

© New York Times/Edited by Will Shortz.

Solution to Puzzle of Aug. 26

S	L	A	M		L	E	G	S		M	E	T	A	L
P	U	R	R		E	R	I	E		A	G	A	T	E
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Herald International Tribune

BUSINESS/FINANCE

** TUESDAY, AUGUST 27, 1996 PAG

Jail Terms Shock Seoul Companies

Pardon Is Predicted For Top Executives

Reuters

SEOUL — Jail sentences handed down to several of South Korea's top business leaders sent shock waves through corporate boardrooms Monday, but analysts said the executives were unlikely to spend time behind bars.

Putting them in jail would be too great a blow for an economy dominated by family-owned conglomerates, some run almost single-handedly by aging patriarchs, the analysts said.

Samsung Co.'s chairman, Lee Kun Hee, was among nine businessmen found guilty by the Seoul District Criminal Court of bribing former President Roh Tae Woo. The former president himself received a prison sentence of 22½ years Monday. The court handed Mr. Lee a two-year sentence suspended for three years, meaning he will avoid jail.

But the chairman of Daewoo Corp., Kim Woo Choong; the honorary chairman of Hanbo Group, Chung Tae Soo, and the chairman of Jinro Ltd., Chang Jin Ho, were each sentenced to two years in jail.

The chairman of the Dong Ah group companies, Choi Won Suk, was sentenced to two and a half years.

"I believe the president will pardon them," said the head of research at Dong Bang Peregrine, Rhee Namuh.

"They represent too big a part of the economy."

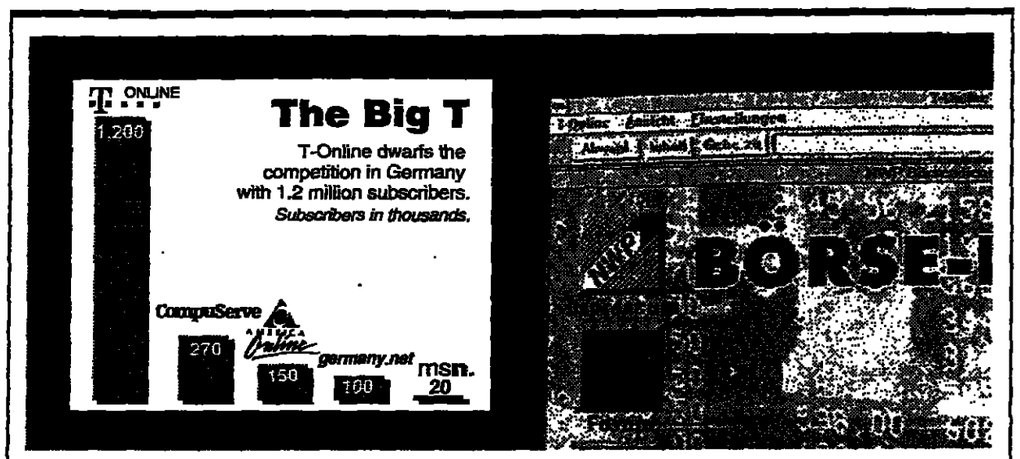
Mr. Rhee said he believed the sentences were intended to send a sharp warning to the conglomerates, which many South Koreans say are growing too big and arrogant.

"The government is just worried that the conglomerates are now so big and diversified that they can't control them any more," Mr. Rhee said. "This is one way of reminding the conglomerates who is in charge."

Among the companies involved, Daewoo would be damaged the most if its chairman were jailed, analysts said.

"Kim Woo Choong has pretty much run the show himself, while in the other groups the chairman's power is more diluted," said Kim Su Mi, associate director of Union Bank of Switzerland.

The Seoul stock market dropped, although it closed before the sentencing. The composite index fell 15.24 points to 766.89, its lowest since Nov. 4, 1993.



Deutsche Telekom's On-Line Baby

By John Schmid
International Herald Tribune

FRANKFURT — Those who only think of Deutsche Telekom AG as a slow-footed corporate behemoth will be surprised to learn that the state-owned telephone company also operates the biggest on-line and Internet-access service in Europe.

Overhauled three times since it was founded in 1983 as a simple video-text operation, T-Online now boasts 1.2 million users, well ahead of the 270,000 German users of CompuServe Inc. or, for that matter, CompuServe's 820,000 users across Europe. T-Online's year-old rival, Microsoft Network, has about 20,000 German users.

Although T-Online remains the fastest-growing service operating in Germany, adding 20,000 to 30,000 users each month, the field has become so crowded with newcomers that T-Online is ready for its fourth makeover.

"Germany is unique because it is the only non-English-speaking nation that is moving fast and furiously onto the Internet," said Gene DeRose, president of Jupiter Communications in New York, which is finishing an analysis of the European on-line industry.

Using Tuesday's opening of the CeBIT consumer-electronics trade fair in Hannover as a backdrop, Telekom will formally spin off its T-Online service into a new, separately incorporated company with its own staff of 400 and its own headquarters in Darmstadt.

Being a German-language service has been both a blessing and a curse for T-Online. More than 99 percent of its users are German, giving T-Online a solid base of subscribers in its home market but limiting growth outside German borders. The booming domestic market has helped make T-Online profitable, although Telekom refuses to disclose sales and earnings.

T-Online is a leader in German home banking, handling transactions for 1.8 million bank accounts at 1,200 banks. It is also used for home shopping from Germany's glitziest catalog companies, offering 2,900 content providers including exclusive access to the electronic archives of the news-weekly Der Spiegel.

'Germany is unique because it is the only non-English-speaking nation that is moving fast and furiously onto the Internet.'

With a longer leash from its Bonn-based parent company, Online Pro Dienste GmbH, as the new company is called, is hoping it will be able to adapt to shifting competition more skillfully.

More important, the new structure will allow T-Online to enmesh itself within a web of cross-shareholdings with European allies that share an interest in surviving in a crowded field that includes Microsoft Corp.

Potential allies were prevented from taking a stake in T-Online directly. They could only take a stake in Telekom itself, which remains a 100-percent government-owned operation until it floats a portion of its shares to the public in November.

Telekom has been holding talks on potential cross-shareholdings with America Online Inc., the world's biggest on-line service, and with the German media groups Bertelsmann AG and Axel Springer Verlag AG. AOL and Bertelsmann late last year launched their own joint-venture on-line service, which now has nearly 150,000 users in Germany and others in France and Britain. A Bertelsmann board member, Thomas Middelhoff, said Monday that the talks were nearly finished.

The magnitude of the stakes reflects a wholehearted urge to cooperate: Telekom is understood to be offering as much as 33 percent of T-Online to the AOL-Bertelsmann Online GmbH venture. At the same time, T-Online would hold a similar stake in AOL-Bertelsmann. It has even been suggested that T-Online take a 5 percent in America Online.

All sides vow that the two services never will merge. AOL-Bertelsmann, which specializes in family entertainment, and T-Online, which offers research, home-banking and home-office applications, say their customers do not necessarily overlap.

The idea is to swap technology, jointly market each other and protect each from the other's competition as a hedge against Microsoft's technological popularity, said a Telekom spokesman, Juergen Homeyer.

Berlin-based Springer, one of Germany's largest publishers, is considering taking stakes in both AOL-Bertelsmann and T-Online. It is expected to use its newspapers and magazines to help both services attract customers.

Already, one hopeful expansion route beyond Germany has sputtered.

See ONLINE, Page 15

WorldCom Buys MFS For $14 Billion Amid Flurry of Takeovers

Compiled by Our Staff From Dispatches

NEW YORK — WorldCom Inc. said Monday it would buy MFS Communications Co. for $14.4 billion in a deal that topped a day of takeover announcements in the communications, medical, financial and insurance sectors.

WorldCom of Jackson, Mississippi, agreed to buy MFS Communications Co. in a move that would create a broad phone company offering local, long distance and Internet services.

The deal would be the fifth largest takeover in U.S. history, and it follows two other huge telecommunications deals announced this year: Bell Atlantic Corp.'s agreement to merge with Nynex Corp. in a transaction worth $22.7 billion and SBC Communications Inc.'s $16.7 billion purchase of Pacific Telesis Group.

The new company, to be known as MFS WorldCom, will provide a single source for local, long distance, Internet and international communications services competing with telecommunications providers such as AT&T Corp., MCI Communications Corp., Sprint Corp. and the former Bell System companies.

"Rarely in business do you have the opportunity to bring together the premier growth companies from key segments of an industry," said Bernard J. Ebbers, WorldCom's president.

The new company is estimated to have annual revenue of about $5.4 billion.

The deal, unanimously approved the boards of both companies, calls each share of MFS stock to be exchanged for 2.1 shares of WorldCom stock. The offer is valued at about $55.39 a share for each MFS share, a 30 percent premium.

This month, MFS completed a $1 billion purchase of UUNet Technologies Inc., a provider of Internet access businesses.

MFS WorldCom "is the new model of a telephone company — lower cost products other than just phone service and a pure entrepreneurial management team," said Kevin Moore, an analyst at Alex. Brown & Sons. MFS Communications stock soared $9.9375 to $44.8125 in Nasdaq trading, as WorldCom slid $3.625, to $22.75.

Meanwhile, Silver King Communications Inc. announced it would buy Home Shopping Network Inc. in a stock swap valued at about $1.27 billion.

Silver King's acquisition reunites two companies that split in 1992, as former Fox Broadcasting chief Barry Diller expands his television and retail empire. It combines 37 television stations with Home Shopping's retail TV network as Mr. Diller — chairman of both companies — seeks to create a broadcast TV network. Mr. Diller is backed by major Silver King investor

See DEALS, Page 12

U.S. Aon Group Set to Absorb German Insurance Broker

Reuters

COLOGNE — U.S. Aon Group, the world's second-largest insurance broker, is set to acquire the German industrial insurance broker Wesselhoeft, Ahlers & Schues KG, insurance sources said Monday.

The sources said a preliminary agreement had been signed between Aon and the Hamburg-based German concern.

Wesselhoeft, Ahlers & Schues will be sold by the two managing partners, Peter Wesselhoeft and Bjoern Ahlers.

Aon Group recorded revenue of 3.47 billion Deutsche marks ($2.35 billion) last year. In recent months the group has spent large sums expanding its international presence. Its latest acquisition was the largest insurance broker in Colombia, Saiz & Co. Corredores de Seguros.

Wesselhoeft is one of the 10 largest brokers in Germany, with a staff of 220 and offices in eight cities. Its revenue from brokerage commissions and other services is estimated at between 80 million DM and 90 million DM.

According to the sources, Aon plans to merge Wesselhoeft with its existing German subsidiary.

INTERNATIONAL STOCKS

Late in the Game, Nintendo Rallies

By Andrew Pollack
New York Times Service

KYOTO, Japan — Visitors to Nintendo Co.'s headquarters get a taste of company President Hiroshi Yamauchi's personality the minute they walk through the door.

The lobby, hallways and conference rooms are all bare walls and plain tiles. There are no video-game machines, no posters, no Mario dolls, nothing to suggest that this is the lair of a company that provides entertainment to millions of children. To Mr. Yamauchi, any decoration is a needless distraction. Video games, which he himself does not play, are business, not fun.

With such single-minded devotion, Mr. Yamauchi transformed a playing-card company founded by his great-grandfather into a video-game colossus that a few years ago was the most profitable company in Japan.

But Nintendo was late with two generations of new machines, letting first Sega Enterprises Ltd. and then Sony Corp. break up what had been its near-monopoly.

Nintendo stock, meanwhile, has fluctuated wildly over the past year, from a low of 6,100 yen ($56.27) a share on Sept. 1, 1995, to a high of 8,570 on May 16. It closed in Tokyo on Monday at 6,580, up 70.

Now Mr. Yamauchi, at 68, is attempting what could be his last hurrah, a comeback with Nintendo 64, a powerful game machine that went on sale in Japan in June and is scheduled to reach American stores at the end of September.

Nintendo is about a year behind schedule in shipping its machines, and there are already hundreds of games available to play on its competitors' Sony Playstation and Sega Saturn. Nintendo so far has only three titles.

But those are odds Mr. Yamauchi likes. "Those who believe 'the more games the better' are just ignorant of the actual market situation," he said.

Too many games means that some will be of poor quality and will disenchant consumers, he said. He warned that the whole video-game business could crash next year because there were too many uninteresting games for other manufacturers' machines, just as happened in 1983, when Atari Corp. and the business it fostered collapsed.

"The current flood of thousands of games each year is surely ruining the market," he said. To keep consumers hooked, he said, game experiences different from those in the past must be developed.

Many market participants discount Mr. Yamauchi's gloomy prophecy as mere posturing. Still, the big question in the coming battle is whether he can execute the same strategy he used so well in the past.

Nintendo plans to tightly restrict the number of games developed for its machine to try to ensure high quality. It also plans to develop most of the games itself, at least initially. Outside companies can make games, but under terms that give much of the profit to Nintendo and much of the risk to the software company.

Nintendo's machine will use game cartridges that software companies will have to buy from Nintendo for $40 or more, rather than the far cheaper CD-ROMs used by Sony and Sega.

In the past, when Nintendo had a near-monopoly, outside companies had little choice but to go along with such terms. Now, some companies are shunning Nintendo in favor of Sony, which is actively recruiting developers.

"Right now, it's the other side of the coin," said Henk Rogers, a software entrepreneur who licensed the Tetris game for Nintendo machines. "No one wants to be on Nintendo, so they have to be nice to us."

Mr. Yamauchi's position on outside

See GAMOS, Page 15

CURRENCY & INTEREST RATES

Cross Rates

Aug. 26

	$	£	DM	FF	Lire	Dfl	BF	SF	Yen	C$	Peseta
Amsterdam	1.753	2.579	1.1289	0.328	0.1097"	—	5.446"	1.391	1.5389"	1.289	1.226"
Brussels	30.472	47.45	20.595	5.856	2.0168"	18.375	—	25.585	0.2823	22.3405	24.65"
Frankfurt	1.4781	2.2996	—	0.2927	0.0963"	0.8971	4.8559"	1.2401	1.3708"	1.079	1.1838"
London (a)	—	—	—	—	Closed	—	—	—	—	—	—
Madrid	124.971	194.455	84.554	24.742	8.274"	75.429	412.058	104.815	115.843"	91.206	—
Milan	1,510.45	2,353.48	1,022.25	298.91	—	911.45	49.564	1,265.89	13.99	1,101.95	12.165
New York (a)	—	1.5577a	1.4788	3.852	1,514.00	1.4657	30.46	1.1938	132.765	1.3775	134.995
Paris	5.051	7.8595	3.4225	—	0.3459"	3.0487	0.1469	4.2264	4.4883"	3.4863	4.8425"
Tokyo	108.85	168.29	73.12	21.41	0.717	65.24	3.5579	90.84	—	78.85	0.866
Toronto	1.3771	2.1361	0.9273	0.2714	0.0907"	0.8274	0.4504"	1.149	1.2726"	—	1.098"
Zurich	1.1928	1.8557	0.8057	0.236	0.0789"	0.7196	3.9147"	—	1.1085"	0.8702	0.9544"
1 ECU	1.2935	0.8394	1.9828	6.5381	1,644.84	2.1233	39.1877	1.5331	138.892	1.2641	140.871
1 SDR	1.4884	N.Q.	2.1585	7.3782	N.Q.	2.4195	44.6884	1.7482	157.718	1.3933	182.471

Closings in Amsterdam, London, Milan, New York, Paris, and Zurich, fixings in other centers and Toronto rates at 3p.m.
a: To buy one pound; b: To buy one dollar; "Units of 100; N.Q.: not quoted; N.A.: not available.

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9999	Greek drac.	235.78	Mex. peso	7.4925	S. Afr. rand	4.5425
Australian $	1.265	Hong Kong $	7.7338	N. Zealand $	1.4411	S. Kor. won	818.15
Austrian sch.	10.40	Hung. forint	154.82	Norw. krone	6.3957	Swed. krona	6.5975
Brazil real	1.0168	Indian rupee	35.72	Phil. peso	26.22	Taiwan $	27.49
Chinese yuan	833.007	Indo. rupiah	2341.95	Polish zloty	2.74	Thai baht	25.30
Czech koruna	26.41	Irish £	0.6205	Port. escudo	152.25	Turkish lira	86078.7
Danish krone	5.7064	Israeli shek.	3.156	Russ ruble	5527.0	UAE dirham	3.671
Egypt. pound	3.3874	Kuw. dinar	0.2995	Saudi riyal	3.7505	Venez. bolív.	474.50
Fin. markka	4.5138	Malay. ring.	2.4935	Sing. $	1.4105		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.5545	1.5543	1.5542	Japanese yen	107.40	106.99	106.49
Canadian dollar	1.3685	1.3670	1.3655	Swiss franc	1.1687	1.1853	1.1821

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from Reuters and AP.

Libid-Libor Rates

Aug. 23

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5⅛ - 5¼	2⅝ - 3⅛	2⅛ - 2⅜	5⅛ - 5⅜	3½ - 3¾	⅜ - ½	4⅜ - 4½
3-month	5⅛ - 5⅜	2⅝ - 3⅛	2⅛ - 2⅜	5⅛ - 5¼	3⅝ - 3⅞	½ - ⅝	4⅜ - 4½
6-month	5½ - 5⅝	2⅝ - 3⅛	2⅛ - 2⅜	5⅜ - 5⅝	3⅝ - 3⅞	½ - ⅝	4⅝ - 4¾
1-year	5⅝ - 5⅞	3⅛ - 3⅜	2⅛ - 2½	5⅜ - 6	3⅞ - 4	⅝ - ⅞	4⅞ - 4⅞

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8¼	8¼
Federal funds	5⅛	5⅛
3-month CDs	5.04	5.02
CP 180 days direct	5.11	5.11
3 month Treasury bill	5.06	5.04
1-year Treasury bill	5.45	5.40
2-year Treasury bill	6.16	6.10
5-year Treasury note	6.56	6.51
7-year Treasury note	6.66	6.60
10-year Treasury note	6.80	6.74
30-year Treasury bond	7.00	6.94
Merrill Lynch 30-day RA	4.86	4.86

Japan		
Discount rate	0.50	0.50
Call money	0.46	0.42
1-month interbank	0.47	0.53
3-month interbank	0.57	0.63
6-month interbank	0.64	0.69
10-year Govt bond	3.13	3.09

Germany		
Lombard rate	4.50	4.50
Call money	3.10	3.13
1-month interbank	3.20	3.20
3-month interbank	3.20	3.20
6-month interbank	3.25	3.25
10-year Bund	6.38	6.35

Britain		
Bank base rate	5¼	5¼
Call money	Closed	5¼
1-month interbank	—	5⅜
3-month interbank	—	5⅜
6-month interbank	—	5⅜
10-year Gilt	—	7.83

France		
Intervention rate	3.35	3.35
Call money	3½	3½
1-month interbank	3⅝	3⅝
3-month interbank	3¼	3¼
6-month interbank	3⅜	3⅜
10-year OAT	6.40	6.37

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Crédit Lyonnais.

Gold

	A.M.	P.M.	Change
Zurich	388.40	389.00	+1.55
London		Closed	
New York	393.3	394.40	+1.20

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices New York Comex (Dec.)
Source: Reuters.

The Netherlander
Your Dutch Intelligence Service

The Netherlander is a comprehensive English-language business weekly about the Netherlands, written especially for the non-Dutch reader who needs and wants to keep abreast of the country's economic and corporate developments.

It is published by the Netherlands' leading financial daily, *Het Financieele Dagblad*, and distributed jointly in the Netherlands with the *International Herald Tribune*, "the world's daily newspaper".

The weekly enables the reader to understand the Dutch business community and issues it faces, without requiring a command of the Dutch language. *The Netherlander* has therefore quickly become essential reading for expatriate staff working in the Netherlands, for foreign-based managers with Dutch operations and for anyone – from equity analysts to risk managers – who needs to know what makes the Dutch economy tick.

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THE WORLD'S DAILY NEWSPAPER

THE AMERICAS

Investor's America

Change	Index	Monday Close	Prev. Close	% Change
NYSE	The Dow	5680.94	5722.74	-0.73
NYSE	S&P 500	662.47	667.03	-0.68
NYSE	S&P 100	640.26	645.11	-0.75
NYSE	Composite	365.24	367.23	-0.56
U.S.	Nasdaq Composite	1139.04	1143.06	-0.35
AMEX	Market Value	559.91	560.94	-0.18
Toronto	TSE Index	5188.10	5193.00	-0.09
São Paulo	Bovespa	80539.50	81820.70	-2.07
Mexico City	Bolsa	3353.58	3364.37	-0.32
Buenos Aires	Merval	600.34	600.37	-0.01
Santiago	IPSA General	5333.19	5395.26	-0.69
Caracas	Capital General	4618.95	4573.31	+1.00

Source: Bloomberg, Reuters — International Herald Tribune

Very briefly:

The U.S. fourth-quarter job outlook was little changed from a year ago, the latest quarterly survey by the temporary work agency Manpower Inc. showed. According to the study, 25 percent of the 16,000 firms surveyed intend to increase their work forces in the last three months of the year, while 9 percent plan staff reductions.

Chase Manhattan Corp. and Japan's **Softbank Corp.** set up a $50 million fund, Flatiron Partners, to invest in fledgling Internet-related software, service and media companies.

• **Morrison Knudsen Corp.** said its reorganization plan had been approved by a U.S. Bankruptcy Court judge and that it would go ahead with a proposed merger with **Washington Construction Corp.**

• **Ivy Canadian Fund**, managed by **Mackenzie Financial Corp.**, took a 5.2 percent stake in **Ipsco Inc.**, a Canadian steel manufacturer.

• **Standard & Poor's Corp.** assigned El Salvador a long-term foreign currency rating of BB with a positive outlook, based on the country's political stability and economic reform plans.

Bloomberg, KRF/Global

Weekend Box Office

The A[illegible]

LOS ANGELES — "The I[illegible] Dr. Moreau" dominated the U.S. box office over the weekend, with a gross of $9 million. Following are the Top 10 moneymakers, based on Friday's ticket sales and estimated sales for Saturday and Sunday.

1. The Island of Dr. Moreau	(New Line Cinema)	$9 million
2. Tin Cup	(Warner Bros.)	$8.8 million
3. A Very Brady Sequel	(Paramount)	$7.4 million
4. A Time to Kill	(Warner Bros.)	$6.2 million
5. Jack	(Hollywood Pictures)	$5.9 million
6. Independence Day	(Twentieth Century-Fox)	$4.9 million
7. The Fan	(Tri-Star)	$3.5 million
8. Emma	(Miramax)	$2.5 million
9. Solo	(Triumph Films)	$2.3 million
10. She's the One	(Twentieth Century-Fox)	$2.2 million

Netscape Enlists Major Allies

By John Markoff
New York Times Service

SAN FRANCISCO — Opening a new front in its increasingly bitter war with Microsoft, Netscape Communications Corp. has created a software company that will enter an alliance with International Business Machines Corp., Oracle Corp. and four Japanese consumer electronics giants, the software company announced Monday.

The venture, called Navio Corp., intends to develop refined software for browsing the Internet.

The company will also develop a software operating system that it hopes will become a standard means for controlling Internet access and basic operations for a broad range of consumer devices, including video-game systems, television, cable modems, set-top boxes and cellular telephones along with hand-held wireless communications units and network computers used for surfing the Internet.

The company, founded this year, represents a novel counterpoint to the strategy that gave Microsoft Corp. its dominance in software for personal computers.

In the vision of Netscape executives interviewed over the weekend, consumers will eventually be able to choose between multiple-purpose personal computers, which cost more than $1,000 and as much as $5,000, and an array of consumer devices for specific tasks, which could cost less than $100 and perhaps no more than $1,000.

While Netscape officials concede that most personal computers will continue to run on Microsoft's software, they hope that most of the cheaper consumer devices would run on software designed by Navio.

"This is intended for a new computing universe which will total 500 million devices over the next five years," said Marc Andreessen, senior vice president for technology of Netscape, a company based in Mountain View, California, that has gone from infancy to a market value of $3.18 billion in less than two years on the strength of its Internet browser software.

The four Japanese companies in the alliance — Sony Corp., Nintendo Co., Sega Enterprises Ltd. and NEC Corp. — are dominant in producing a variety of home entertainment devices.

Netscape has not yet disclosed the financial terms of the new company or which of the other businesses involved would invest in the venture and which would simply establish software-licensing deals or other partnerships. But Netscape executives said there would be six investors in addition to Netscape itself.

Navio's president and chief executive is Wei Yen, a former executive of Silicon Graphics. Its chairman is James H. Clark, Netscape's co-founder.

Microsoft executives have said in recent months that they consider Netscape a potential direct competitor in operating systems.

DEALS: *WorldCom to Acquire MFS*

Continued from Page 11

Tele-Communications Inc. and its chairman, John Malone.

Under the agreement, each share of Home Shopping common will be exchanged for 0.45 of a share of Silver King common, and each share of Class B stock will be swapped for 0.54 of a share.

Home Shopping shares rose 12.5 cents to $11.375, while Silver King shares fell $1.50 to $28.

Meanwhile, Chancellor Broadcasting Co. said it agreed to buy 12 radio stations from closely held Colfax Communications for $365 million, the company's third major acquisition in the past year.

These other mergers and acquisitions were announced Monday:

• In the medical sector, **Advanced Medical Inc.** said it would buy IVAC Medical Systems Inc., a former Eli Lilly & Co. unit, for about $400 million, creating one of the world's largest makers of intravenous infusion therapy products.

GE Medical Systems said it would buy the U.S. medical equipment insurance and maintenance business of Specialty Underwriters Inc. and Maintenance Management Corp. GE Medical, based in Milwaukee, sells diagnostic imaging systems and related equipment, including X-ray, computer tomography and ultrasound systems. It did not disclose terms of the transaction.

Respironics Inc. said it agreed to acquire Lifecare International Inc., a leading maker of portable ventilators, for $50 million.

• In the insurance and financial sector, **Conseco Inc.** said it would buy American Travelers Corp., Capitol American Financial Corp. and the stock it does not already own in two other insurance companies for a total of $1.76 billion.

Conseco, a life and health insurer, will pay $165 million for the 62 percent of American Life Holdings Inc. it does not hold. It will pay $117 million in stock for the remaining 9.5 percent of life and health insurer Bankers Life Holding Corp.

Mellon Bank said it would acquire FUL Inc., known in the marketplace as First United Leasing Corp., a privately held Chicago-based vendor leasing company. Terms were not disclosed.

• **AccuStaff Inc.** and Career Horizons Inc. signed a merger agreement in a deal valued at an estimated $1 billion. Under the deal, Career Horizons stockholders will receive 1.53 shares of AccuStaff stock for each share owned of Career Horizons stock.

Shares of Career Horizons surged $5.125 to $37, but AccuStaff shares fell $3 to $25.

• **Columbus McKinnon Corp.**, a maker of material handling, agreed to buy Yale International Inc. for about $260 million in cash. *(AP, Bloomberg, Reuters, AFX, AFP)*

■ **Stocks Tumble**

Stock prices fell amid concern that rising borrowing costs would depress consumer spending and corporate profits, Bloomberg Business News reported.

The Dow Jones industrial average fell 28.85 points to close at 5,693.89.

Tobacco stocks rose after an Indiana jury late Friday ruled in favor of the industry, reassuring investors that cigarette makers were not doomed to lose all liability cases. Philip Morris rose 2¼ to 90¼.

Russia's New Combatants: Coke and Pepsi

The Associated Press

ATLANTA — Coca-Cola Co. said Monday it had become the top soft-drink company in Russia, where it once trailed rival Pepsi-Cola. But PepsiCo Inc. said it was still Russia's cola leader.

The battle erupted in the wake of a Coca-Cola victory over PepsiCo in a bottling deal in Venezuela this month.

Coca-Cola conceded that PepsiCo still led in Russia in the cola segment. But Coca-Cola said its products, led by Coke, Fanta and Sprite, accounted for about 18 percent of carbonated soft-drink sales in the second quarter, ahead of PepsiCo's overall 14 percent share.

PepsiCo refused to release numbers for the overall market. But a PepsiCo spokesman, Keith Hughes, said, "Coca-Cola is playing catch-up in Russia." PepsiCo holds 58 percent of the cola market in Russia and has a 2-to-1 lead over the nearest competitor, he said.

A Coca-Cola spokesman, Randy Donaldson, said Coca-Cola had led Pepsi in overall market share for five consecutive quarters.

PepsiCo had an exclusive production license in the old Soviet Union, which kept its rival out until 1985. Coca-Cola began a major Russian investment in 1990, and on Monday it announced plans to invest an additional $100 million in Russia by the end of 1997.

Dollar Soars in Ukraine as New Currency Prepares to Make Its Debut

Compiled by Our Staff From Dispatches

NEW YORK — Ukrainians scrambled to change their old money into dollars Monday after the announcement that their government would introduce its long-awaited new currency next week.

The karbovanets, a temporary currency, plunged against the dollar at private exchange booths for the first time in more than a year in the former Soviet republic, which has been showing increasing signs of economic stability.

The dollar was trading as high as 220,000 karbovantsy at some exchange points in Kiev on Monday, up from 176,000 last week. The National Bank's official rate has been between 175,000 and 180,000 since the beginning of the year.

The rise was attributed to the high demand for dollars as Ukrainians began dumping their karbovantsy before the hryvna, the new currency, is introduced at the start of next week.

Dmytro Rikhberg, a spokesman for the National Bank, said the rush was unjustified. He said people would have two weeks in which to trade the karbovanets for the hryvna and that all exchange houses would be ordered to use an official National Bank rate. "There's no need for panic," he said.

Mr. Rikhberg also criticized currency dealers as "greedy and deceptive" for lifting up the dollar rate in advance of the hryvna's debut. "People don't believe in Ukraine's stability," he said. One hryvna is initially to be worth 59 U.S. cents, or 100,000 karbovantsy.

Meanwhile, the dollar was down

FOREIGN EXCHANGE

against the yen Monday over concern that a survey of Japanese business conditions might show unexpected strength, raising the likelihood of higher interest rates in Japan.

The Bank of Japan is to release its quarterly survey of business sentiment, known as the tankan, on Wednesday. A stronger reading than expected might prompt the Bank of Japan to raise rates soon, making yen deposits more attractive, traders said. The dollar closed at 107.705 yen, down from 108.15 at the close Friday, but rose to 1.4788 Deutsche marks, up from 1.4780 DM.

Against other currencies, the dollar closed at 5.0520 French francs, up from 5.0500, and at 1.1938 Swiss francs, up from 1.1930. The pound rose to $1.5577 from $1.5566.

In Washington, the U.S. National Association of Realtors said sales of previously owned homes fell 0.5 percent in July, their second consecutive decline, as mortgage rates remained above 8 percent. Still, the sales rate was well above the pace of 1995.

The group said sales of existing single-family homes totaled 4.14 million at a seasonally adjusted annual rate, down from a revised 4.16 million in June.

The July rate was higher than during any month of 1995, when 3.80 million units were sold.

But the June pace was slower than the 4.18 million rate initially estimated. The 2.8 percent decline followed a 1.9 percent advance in May to a record 4.28 million.

The relatively high level of mortgage costs has slowed much of the housing industry, although it remains at healthy levels. Housing starts fell for three consecutive months through June.

(AP, Bloomberg, Reuters)

AMEX

Monday's 4 p.m. Close
The top 300 most-active shares, up to the closing on Wall Street.
The Associated Press

Stock	Sales	High	Low	Latest	Chge
AM Intl	261	2 11/16	2 5/8	2 5/8	+1/16
AMC	738	20 1/4	19 3/4	19 7/8	—3/8
ARC	185	2 3/8	2 1/4	2 1/4	—1/16
ATT Fd	66	77 1/8	76 1/4	76 1/4	—1 1/8
Acadiana n	283	13 1/2	13 3/8	13 3/8	+1/4
Action	572	2 3/4	2 9/16	2 3/4	+1/16
AdmRsc	115	10	9 3/4	9 7/8	+1/4
AdvMed	3456	2 15/16	2 11/16	2 7/8	+1/16
AdvPhot	207	3 1/16	2 15/16	3 1/16	—1/16
AirWat	189	9	8 3/4	8 3/4	—1/4
AHooven	267	14	13 7/8	13 15/16	—1/4
Alfin	94	2 1/8	2 1/8	2 1/8	—1/8
AlldRsh	97	5 3/8	5 3/8	5 3/8	+1/4
AlloyH	91	5 1/2	5 1/2	5 1/2	—1/8
Alphaln	221	8 1/8	8	8	—1/2
AlpinGr	216	5 1/2	5 3/8	5 3/8	—1/8
AltLiving n	302	13 5/8	13 3/8	13 5/8	+1/4
Amdhl	7752	10 1/4	9 15/16	10	—1/4
AIM 85	80	14 1/8	14	14 1/8	—
Am List	171	27 3/4	27 5/8	27 3/4	+1/8
AScE	186	14 1/8	13 3/4	14	—3/4
Ampal	69	4 5/8	4 5/8	4 5/8	—
Ampex n	6115	8 1/4	7 5/8	7 15/16	—9/16
Andrea	94	11 3/4	11 1/2	11 3/4	—1/4
ArmorH n	123	7 5/8	7 5/8	7 5/8	—1/8
AsdLiving	169	19 1/2	19 1/2	19 1/2	+1/4
Astratc	253	5 3/16	5 1/8	5 1/8	—1/16
Audvox	193	4 13/16	4 3/4	4 3/4	—1/16
Autotote	483	1 11/16	1 1/2	1 9/16	+1/16
Azco	2970	7 1/8	7 1/4	7 1/4	—1/8
BAT Ind	2433	14	13 13/16	13 7/8	+1/8
Baker	105	5	4 15/16	4 7/8	—1/16
Balchem	72	8 7/8	8 7/8	8 7/8	+3/8
Baldw	232	3 5/16	3 1/4	3 5/16	—
Ballaly n	125	12 3/4	12 5/8	12 5/8	—
ecBnkrN	100	1/4	1/4	1/4	—1/16
BanyH	441	15/16	7/8	7/8	—
BayMea	445	18 3/4	18 1/4	18 1/4	—1/8
Bovou	218	3	2 7/8	2 7/8	—1/4
BemaGold	5745	8 5/8	8 7/16	8 7/16	—3/16
BigR A s	327	27 3/4	26 3/4	26 7/8	—1 1/8
Biovail s	2053	26 1/2	24 7/8	26 1/4	+1
BlairCp	91	22 7/8	22 3/4	22 7/8	+1/8
BlondT n	235	9 3/4	9 1/4	9 1/4	—1/2
BowlA	181	7	6 7/8	7	+1/8
Bowne	164	20	19 3/4	19 7/8	—
Brandyw	100	6	6	6	—
CFX Cp	166	14	13 7/8	13 7/8	+1/8
CIM	148	7 1/2	7 3/8	7 3/8	—1/8
CSTEn	238	1/16	3/16	1/16	—1/8
Cablvsn	157	41 1/2	41	41 3/8	+3/8
Cblvs pf	478	24 1/2	24 1/4	24 1/2	+1/4
Cabletel g	140	6	5 7/8	5 15/16	—
Cambior	299	15	14 15/16	14 7/8	—
CanOc g s	147	16 5/8	16 1/2	16 5/8	—
CanyonRs	833	2 15/16	2 7/8	2 15/16	+1/8
CastlAM s	249	21 1/2	21 1/4	21 1/2	+1/4
CentennT	493	34 7/8	34 5/8	34 5/8	—
CFCda g	175	4 13/16	4 5/8	4 5/8	—
ChevSoft	1555	19 1/8	18 7/8	19	—1/8
Chief	91	20	19 7/8	20	+1/8
CitFFin n	66	10 3/4	10 1/4	10 3/4	—
Citizinc	74	7 3/8	7 1/4	7 3/8	+1/16
ColLb	743	13	12 3/4	12 7/8	+1/8
ColvEng	182	9	8 1/2	9	+1/2
Complek	144	6 5/8	6	6 5/8	+7/16
Cross	951	12	11 3/4	12	—
CrowlMil	68	8 3/4	8 9/16	8 3/4	—1/8
CrnCP B	220	13 7/8	13 3/4	13 3/4	—1/8
ecCrwnL	132	1 1/8	1 1/16	1 1/8	+1/16
Cycomm ws	176	4 11/16	4 5/8	4 11/16	—1/16
DI Ind	902	1 11/16	1 1/2	1 5/8	—
DakotaM	487	1 13/16	1 11/16	1 3/4	—1/16
Datamet	539	2 5/16	2 1/4	2 1/4	—
DaytonMn	467	7 1/2	7 1/4	7 1/4	—1/8
DenAmer	285	4 1/8	3 7/8	3 7/8	—1/8
DevnE	142	23 1/2	23 1/8	23 1/4	—1/8
Digicon	255	13 7/8	13 1/2	13 3/4	—1/8
DigRCT	90	1 3/4	1 3/4	1 3/4	—
DryCal	88	8 3/4	8 9/16	8 3/4	—1/16
DryMu	154	9 11/16	9 5/8	9 11/16	+1/16
DrvHar	129	7 3/4	7 1/4	7 3/4	—
Ducom	215	16 1/2	15 3/4	15 1/2	—3/4
ecETS Int	90	1	15/16	1	+1/16
EZ Serv	298	2 1/8	1 15/16	2	—
EchoBay	9094	10 3/4	10	10 1/4	—
Edisto	289	10 7/8	10 1/4	10 3/4	—
EdBlek	718	1 1/16	15/16	1	—
ElPasoE n	153	5 15/16	5 15/16	5 15/16	—
Elswth	124	9 5/8	9 5/8	9 5/8	+1/16
EmerR	249	2 3/8	2 5/16	2 3/8	+1/16
EmpCar	401	5 3/4	5 3/8	5 3/8	—1/16
Enzobi	1254	17 1/2	16 7/8	17 3/8	+1/8
Epitope	145	13 7/8	13 5/8	13 3/4	—1/8
FemHlth	84	4 3/8	4 3/8	4 3/8	—
Fibrbd	427	30 3/4	29 7/8	30 3/4	+3/4
FinFdl s	188	15	14 3/4	15	—1/4
FAust	229	8 7/8	8 3/4	8 13/16	—1/16
FAusPr	2322	8 7/8	8 13/16	8 7/8	—
Filber	71	8 7/8	8 13/16	8 7/8	—
ForstLb	946	40 1/4	39 7/8	39 3/4	—3/4
FortPet	401	3	2 7/8	2 15/16	—1/16
FrnkSel	86	4 3/4	4 11/16	4 3/4	—
Fresenius	206	23 7/8	23 1/2	23 1/2	+1/8
GA Fnd n	2249	12	11 3/4	12	+1/8
GST Tele	4645	10 7/8	10 1/4	10 3/4	+3/8
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	5731.62	5733.47	5675.39	5693.89	—28.85
Trans	2061.85	2062.76	2051.20	2057.76	—4.14
Util	217.44	218.07	217.02	217.93	+0.77
Comp	1825.47	1825.19	1812.43	1817.95	—5.76

Standard & Poors

	High	Low	Close	Chg.
Industrials	787.49	782.07	783.70	—3.78
Transp.	502.86	498.28	500.28	—2.25
Utilities	191.56	190.97	191.36	+0.03
Finance	69.97	69.37	69.57	—0.40
SP 500	667.03	662.36	663.88	—3.15
SP 100	645.11	640.18	641.52	—3.59

NYSE

	High	Low	Last	Chg.
Composite	357.24	356.21	355.89	—1.34
Industrials	452.95	450.25	451.10	—1.64
Transp.	324.03	321.81	322.74	—1.15
Utility	245.52	244.13	244.46	—1.06
Finance	306.03	304.09	304.81	—1.22

Nasdaq

	High	Low	Last	Chg.
Composite	1141.33	1137.95	1138.85	—4.20
Industrials	1042.92	1038.70	1039.60	—2.88
Banks	1106.76	1103.98	1104.98	—2.21
Insurance	1288.09	1282.04	1284.82	+3.39
Finance	1346.01	1342.02	1342.54	—1.39
Transp.	856.42	853.59	856.40	+0.96

AMEX

High	Low	Last	Chg.
561.13	559.48	560.42	—0.32

Dow Jones Bond

	Close	Chg.
20 Bonds	102.04	—0.20
10 Utilities	99.21	—0.10
10 Industrials	104.88	—0.29

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
PhilMr	57215	92 1/4	88 3/4	90 1/4	+2 1/4
RJR plC	49032	5 1/2	5 1/4	5 3/8	+1/8
AutoZone	49524	30 1/8	26 1/2	26 7/8	—3 1/4
MicrnT	35453	23 1/4	22 1/8	22 1/4	—1
HewlPk s	35272	45 3/4	44 1/8	44 3/8	+1 1/4
PepsiCo s	32797	31 7/8	31 1/4	31 1/2	—1/8
RJRNab	30729	26 7/8	26 1/4	26 3/4	+1
AT&T	28395	54 1/2	53 3/4	53 7/8	—1 1/4
ZenithE	25233	15 1/4	14 1/4	14 1/2	—3/8
Compaq	24823	57	55 7/8	56 1/4	—1
CareerH s	23122	39	36 1/4	37	+5 1/8
PrmFor pr	22663	24 3/4	24 5/8	24 3/4	+1/8
OlymFn	22554	24	17 1/4	23 3/4	+6 1/4
BritSt	22532	28 3/4	28 1/4	28 1/4	—
Conseco s	22315	45 1/4	42 1/4	44	+1 11/16

Nasdaq

	Vol.	High	Low	Last	Chg.
WorldCm s	244727	24	21 1/2	22 3/8	—3 3/8
MFS Cm s	237403	48	41 3/4	44 7/8	+9 1/2
AccuStf s	53107	28	24 1/2	25	—3
Cisco s	48873	56 1/4	54 3/8	55 1/8	—3/8
MCI	46998	25 1/4	24 7/8	24 3/4	+1 1/4
Methanx	39983	7 1/8	7 1/4	7 1/4	—
Intel	39950	81 1/2	80 1/2	81 1/4	—1/4
Spreckel	39198	24 1/2	23 1/2	23 1/2	+4 1/4
EricTel	34709	23 1/4	23 1/4	23 3/4	—
TeleptCn	32648	23 5/8	23 1/4	23 1/2	+1 3/8
Ascend s	30783	53 1/2	50 1/4	51 1/2	—1/2
HBO s	25197	57	53 1/4	54 7/8	+1 1/8
US Robt s	24937	55 1/2	52 1/2	53	—1 1/2
Medeph	24623	12 3/4	11 3/4	12 1/4	+1/2
TeleComA	24025	15 3/16	15 1/2	15 1/2	—1/8

AMEX

	Vol.	High	Low	Last	Chg.
Unilab	21759	7/8	3/4	7/8	+1/8
InterDig	12745	8 7/8	8 3/8	8 3/4	+1/4
IvaxCp	9825	16 1/4	15 3/4	15 7/8	+1/8
TWA	9496	11 1/2	11 1/8	11 1/4	+1/4
EchoBay	9094	10 3/4	10	10 1/4	—
SPDR	7766	66 27/32	66 11/16	66 9/16	—9/32
Amdhl	7752	10 1/4	9 15/16	10	—1/4
ViacB	7577	33 3/4	33 1/8	33 1/2	—1/8
PGE pfY	6820	25	25	25	—1/32
Ampex n	6115	8 1/4	7 5/8	7 15/16	—9/16

Trading Activity

NYSE

	Close	Prev.
Advanced	898	1012
Declined	1360	1285
Unchanged	921	888
Total issues	3179	3186
New Highs	57	72
New Lows	20	18

AMEX

	Close	Prev.
Advanced	245	242
Declined	270	260
Unchanged	196	211
Total issues	711	713
New Highs	18	23
New Lows	12	12

Nasdaq

	Close	Prev.
Advanced	1732	1853
Declined	2040	1824
Unchanged	1870	1970
Total issues	5642	5647
New Highs	122	121
New Lows	61	58

Market Sales

	Today Close	Prev. Cons.
NYSE	381.41	374.29
Amex	19.37	20.99
Nasdaq	387.09	434.32

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Amway Japan	b	.437	8-29	—
James Riv Bkshrs	—	.13	8-30	9-16
Torch Energy	—	.482	9-3	9-13
STOCK				
Carolina Sthn Bk	—	5%	9-4	9-16
REVERSE STOCK SPLIT				
Premier Brands 1 for 40 reverse split.				
US Transport Sys-1 for 6 reverse split.				
INCREASED				
Hudson Charter	Q	.18	9-30	10-15
Raven Indus	Q	.13	9-24	10-15
SPECIAL				
Harvest Home	—	3.00	9-6	9-16
REGULAR				
Abrams Indus	Q	.015	9-6	9-20
Albank Fincl	Q	.12	9-13	10-1
Americana Bncp	Q	.14	9-13	10-4
BancFirst Cp OK	Q	.08	9-30	10-15
Blount Intl A	Q	.11	9-13	10-1
Blount Intl B	Q	.102	9-13	10-1
Chateau Props	Q	.405	9-30	10-15
CnnFinancial	Q	.37	9-13	10-15
CitiSave Fin	Q	.075	9-16	9-30
Conll Mtg	Q	.13	9-3	9-9
Dexter Corp	Q	.22	9-13	10-10
Dimon Inc	Q	.135	9-5	9-12
Donnelly Corp A	Q	.10	9-13	10-1
FstFincl Corp RI	Q	.03	9-16	10-1
Granite Construcin	Q	.06	9-30	10-18
IPL Inc	g	.15	9-11	9-25
Intimate Brands	Q	.12	9-6	9-17
Knape & Vogt	Q	.165	9-4	9-13
Limited Inc	Q	.10	9-6	9-17
Nelson, Thomas	b	.04	11-4	11-18
Pacific Scientific	Q	.03	9-20	10-7
Pharm & Upjohn	Q	.27	10-8	11-1
Shoreline Fin	Q	.20	9-5	9-16
Stratton Monthly	—	.16	8-30	9-10
TJ Intl	Q	.055	9-20	10-16
USBanc Inc PA	Q	.30	9-4	10-2

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cld - called. d - new yearly low. e - dividend declared or paid in preceding 12 months. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. P/E - price-earnings ratio. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y- ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

Aug. 26, 1996

Columns: High, Low, Close, Chge, Opint

Grains

CORN (CBOT) 5,000 bu minimum- dollars per bushel

	High	Low	Close	Chge	Opint
Sep 96	3.70½	3.62	3.69½	-0.04	42,651
Dec 96	3.48¼	3.38½	3.47¼	-0.08¼	181,896
Mar 97	3.56	3.45½	3.54½	+0.08	40,964
May 97	3.61½	3.51½	3.60	+0.08¼	14,082
Jul 97	3.60¼	3.51½	3.59½	+0.07½	11,071

Est. sales N.A. Fri's. sales 42,746
Fri's open int 298,472 off 4372

SOYBEAN MEAL (CBOT) 100 tons- dollars per ton

	High	Low	Close	Chge	Opint
Sep 96	262.60	257.00	261.00	+2.90	20,775
Oct 96	255.80	250.00	253.80	+2.60	13,039
Dec 96	252.40	245.90	249.90	+2.70	32,942
Jan 97	251.00	245.20	248.10	+2.30	6,182
Mar 97	249.50	243.50	246.70	+2.20	5,274
May 97	246.00	240.50	243.30	+2.10	4,919

Est. sales N.A. Fri's. sales 17,338
Fri's open int 85,226 up 1116

SOYBEAN OIL (CBOT) 60,000 lbs- dollars per 100 lbs.

	High	Low	Close	Chge	Opint
Sep 96	25.34	24.84	25.22	+0.32	14,725
Oct 96	25.55	25.05	25.46	+0.35	14,268
Dec 96	25.99	25.45	25.90	+0.39	35,398
Jan 97	26.23	25.70	26.13	+0.37	6,509
Mar 97	26.57	26.20	26.50	+0.36	5,115
May 97	26.90	26.40	26.85	+0.37	3,768

Est. sales N.A. Fri's. sales 18,401
Fri's open int 80,608 up 1597

SOYBEANS (CBOT) 5,000 bu minimum- dollars per bushel

	High	Low	Close	Chge	Opint
Sep 96	8.25	8.01½	8.17	+0.13¾	13,118
Nov 96	7.96	7.76	7.89½	+0.10½	118,675
Jan 97	8.01	7.82	7.94½	+0.09½	20,090
Mar 97	8.05½	7.86	7.97¾	+0.10	12,768
May 97	8.04	7.85½	7.99¼	+0.11¼	10,467

Est. sales N.A. Fri's. sales 32,673
Fri's open int 186,316

WHEAT (CBOT) 5,000 bu minimum- dollars per bushel

	High	Low	Close	Chge	Opint
Sep 96	4.63	4.50	4.59¼	+0.06½	13,824
Dec 96	4.67½	4.55	4.65	+0.06½	39,172
Mar 97	4.65	4.53	4.62	+0.06¼	8,814
May 97	4.39	4.30½	4.36	+0.04	338

Est. sales N.A. Fri's. sales 10,838
Fri's open int 65,831 off 1026

Livestock

CATTLE (CMER) 40,000 lbs.- cents per lb.

	High	Low	Close	Chge	Opint
Oct 96	71.50	70.80	71.17	+0.17	42,003
Dec 96	67.40	66.95	67.30	+0.48	22,015
Feb 97	65.60	65.12	65.32		14,892
Apr 97	66.95	66.60	66.80	—0.05	5,034
Jun 97	65.00	64.65	64.77	—0.05	2,588
Aug 97	65.20	65.00	65.00	—0.07	2,875

Est. sales 12,909 Fri's. sales 7,643
Fri's open int 88,639 off 438

FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.

	High	Low	Close	Chge	Opint
Aug 96	63.40	63.10	63.30	+0.03	2,479
Sep 96	63.15	62.35	62.48	—0.67	2,352
Oct 96	63.60	62.75	62.82	—0.55	7,536
Nov 96	64.00	63.20	63.35	—0.40	2,596
Jan 97	64.25	63.70	63.75	—0.35	1,380
Mar 97	63.80	63.40	63.45	—0.35	878

Est. sales N.A. Fri's. sales 1,653
Fri's open int 18,330 off 318

HOGS-Live(2/97 Lean) (CMER) 40,000 lbs.- cents per lb.

	High	Low	Close	Chge	Opint
Oct 96	55.07	54.30	54.65	+0.28	12,431
Dec 96	55.40	54.50	54.52	—0.08	10,526
Feb 97	75.90	75.40	75.65	+0.20	3,427
Apr 97	73.87	73.40	73.50		1,450
Jun 97	78.30	78.00	78.15	+0.20	1,387
Jul 97	75.70	75.47	75.70	+0.28	270

Est. sales 5,336 Fri's. sales 5,084
Fri's open int 38,717 off 413

PORK BELLIES (CMER) 40,000 lbs.- cents per lb.

	High	Low	Close	Chge	Opint
Aug 96	94.52	90.50	90.52	—3.00	306
Feb 97	87.22	83.22	83.25	—1.97	4,378
Mar 97	86.75	83.15	83.28	—1.55	639
May 97	84.80	82.15	82.17	—0.63	310
Jul 97	85.50	82.00	82.10	—1.40	49
Aug 97	79.70	79.40	79.40	—0.05	16

Est. sales 2,158 Fri's. sales 2,114
Fri's open int 5,600 off 101

Food

COCOA (NCSE) 10 metric tons- $ per ton

	High	Low	Close	Chge	Opint
Sep 96	1355	1325	1329	—21	318
Dec 96	1390	1380	1382	—9	30,939
Mar 97	1422	1413	1414	—7	17,035
May 97	1440	1430	1431	—13	7,586
Jul 97	1455	1450	1448	—11	5,937

Est. sales 5,273 Fri's. sales 6,241
Fri's open int 75,906 up 464

COFFEE C (NCSE) 37,500 lbs.- cents per lb.

	High	Low	Close	Chge	Opint
Sep 96	138.50	130.00	136.45	+4.20	2,089
Dec 96	128.50	119.75	125.30	+2.65	17,836
Mar 97	121.00	113.50	117.70	+1.65	4,467
May 97	118.50	112.50	117.35	+2.35	1,769

Est. sales 11,471 Fri's. sales 8,634
Fri's open int 26,953 up 3405

SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb.

	High	Low	Close	Chge	Opint
Oct 96	11.58	11.63	11.45	—0.20	68,407
Mar 97	11.51	11.32	11.35	—0.11	46,820
May 97	11.27	11.12	11.14	—0.10	17,840
Jul 97	10.85	10.75	10.77	—0.08	12,963

Est. sales 32,912 Fri's. sales 6,870
Fri's open int 155,304 up 1108

ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.

	High	Low	Close	Chge	Opint
Sep 96	124.00	123.00	123.40	+0.15	4,622
Nov 96	118.40	117.10	117.70	—0.70	7,715
Jan 97	117.10	116.30	116.50	—0.80	4,853
Mar 97			117.70	—1.05	1,390

Est. sales N.A. Fri's. sales 4,336
Fri's open int 19,451 up 217

Metals

GOLD (NCMX) 100 troy oz.- dollars per troy oz.

	High	Low	Close	Chge	Opint
Aug 96	389.60	388.80	389.80	+1.50	46
Sep 96			390.30	+1.50	2
Oct 96	391.50	390.00	391.40	+1.30	11,653
Dec 96	394.60	393.30	394.50	+1.30	73,115
Feb 97	396.70	395.90	397.00	+1.30	12,532
Apr 97	398.80	398.80	399.40	+1.30	5,948
Jun 97			402.00	+1.30	11,888
Aug 97			404.60	+1.30	3,413

Est. sales 11,000 Fri's. sales 17,691
Fri's open int 158,950 up 859

HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.

	High	Low	Close	Chge	Opint
Aug 96	92.00	91.40	91.40	—0.70	1,077
Sep 96	91.60	90.90	91.10	—0.60	11,775
Oct 96	91.00	90.60	90.80	—0.20	1,643
Nov 96	90.60	90.30	90.10	—0.50	1,334
Dec 96	90.00	89.45	89.60	—0.40	20,884
Jan 97	89.50	89.50	89.20	—0.40	981
Feb 97			88.50	—0.40	789
Mar 97	88.60	88.10	88.20	—0.40	6,586
Apr 97			87.90	—0.40	459

Est. sales 4,000 Fri's. sales 12,232
Fri's open int 56,497 off 289

SILVER (NCMX) 5,000 troy oz.- cents per troy oz.

	High	Low	Close	Chge	Opint
Aug 96			525.0	+5.7	4
Sep 96	527.0	519.0	525.3	+5.6	31,565
Oct 96			527.9	+5.6	24
Dec 96	535.5	528.5	533.3	+5.6	41,967
Jan 97			536.4	+5.6	
Mar 97	543.0	536.5	541.3	+5.7	9,256
May 97	544.0	544.0	546.5	+5.7	5,922
Jul 97			551.6	+5.9	4,210

Est. sales 25,000 Fri's. sales 22,385
Fri's open int 96,759 off 735

PLATINUM (NMER) 50 troy oz.- dollars per troy oz.

	High	Low	Close	Chge	Opint
Oct 96	405.90	403.50	405.60	+2.10	18,401
Jan 97	407.50	406.50	407.80	+2.10	3,294
Apr 97	409.00	408.50	410.10	+2.20	3,057
Jul 97			412.80	+2.20	122
Oct 97			416.30	+2.20	

Est. sales N.A. Fri's. sales 825
Fri's open int 25,076 up 283

Financial

US T. BILLS (CMER) $1 million- pts of 100 pct.

	High	Low	Close	Chge	Opint
Sep 96	94.94	94.90	94.90	—0.06	6,712
Dec 96	94.72	94.66	94.67	—0.08	2,047
Mar 97	94.58	94.48	94.49	—0.12	842

Est. sales N.A. Fri's. sales 1,185
Fri's open int 9,601 off 228

5 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct

	High	Low	Close	Chge	Opint
Sep 96	105-21	105-12	105-125	— 13	146,538
Dec 96	105-07	104-315	104-315	— 135	35,713
Mar 97			104-205	— 135	

Est. sales 48,300 Fri's. sales 81,325
Fri's open int 182,341 up 2313

10 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct

	High	Low	Close	Chge	Opint
Sep 96	107-17	107-03	107-04	— 19	251,575
Dec 96	106-30	106-16	106-17	— 18	62,252
Mar 97	106-12	106-08	106-09	— 18	2,572

Est. sales 77,654 Fri's. sales 103,674
Fri's open int 316,399 off 11273

US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)

	High	Low	Close	Chge	Opint
Sep 96	109-14	108-19	108-20	— 29	357,315
Dec 96	108-31	108-04	108-04	— 29	93,113
Mar 97	108-10	107-22	107-22	— 29	7,289
Jun 97	107-28	107-07	107-07	— 29	2,715

Est. sales 285,000 Fri's. sales 407,365
Fri's open int 460,206 off 28022

10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct

	High	Low	Close	Chge	Opint
Sep 96	123.40	123.16	123.30	— 0.22	187,223
Dec 97	122.00	121.84	121.92	— 0.20	39,700
Mar 97	121.82	121.66	121.74	— 0.18	8,982
Jun 97	0.00	0.00	120.98	— 0.22	13

Est. volume: 39,825. Open int.: 235,918 off 3,450.

EURODOLLARS (CMER) $1 million-pts of 100 pct.

	High	Low	Close	Chge	Opint
Sep 96	94.440	94.390	94.400	—40	372,963
Oct 96	94.300	94.270	94.280	—50	5,179
Nov 96	94.180	94.160	94.170	—70	1,113
Dec 96	94.140	94.050	94.070	—80	479,135
Mar 97	94.010	93.880	93.900	—110	298,758
Jun 97	93.860	93.710	93.730	—120	229,816
Sep 97	93.660	93.560	93.580	—120	190,402
Mar 00	92.870	92.820	92.820	—90	36,422

Est. sales N.A. Fri's. sales 457,474
Fri's open int 2,480,887

BRITISH POUND (CMER) 62,500 pounds, $ per pound

	High	Low	Close	Chge	Opint
Sep 96	1.5588	1.5546	1.5568	+2	50,546
Dec 96	1.5580	1.5540	1.5564	+2	1,478
Mar 97			1.5560	+2	9

Est. sales N.A. Fri's. sales 10,880
Fri's open int 52,033 up 2325

CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Can. dlr

	High	Low	Close	Chge	Opint
Sep 96	.7309	.7297	.7300	—6	36,008
Dec 96	.7321	.7315	.7323	—7	5,396
Mar 97			.7345	—8	491

	High	Low	Close	Chge	Opint
Jun 97			.7360	—9	695

Est. sales N.A. Fri's. sales 7,423
Fri's open int 42,708 up 1552

GERMAN MARK (CMER) 125,000 marks, $ per mark

	High	Low	Close	Chge	Opint
Sep 96	.6781	.6763	.6769	—4	68,375
Dec 96	.6820	.6803	.6809	—3	6,145
Mar 97	.6859	.6859	.6855	—1	880
Jun 97			.6900	+2	10

Est. sales N.A. Fri's. sales 29,946
Fri's open int 75,410 up 3846

JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen

	High	Low	Close	Chge	Opint
Sep 96	.009325	.009276	.009309	+27	74,639
Dec 96	.009444	.009418	.009427	+28	6,477
Mar 97			.009547	+29	167

Est. sales N.A. Fri's. sales 29,770
Fri's open int 81,489 up 3367

SWISS FRANC (CMER) 125,000 francs, $ per franc

	High	Low	Close	Chge	Opint
Sep 96	.8424	.8389	.8392	—3	37,723
Dec 96	.8483	.8457	.8462		3,302
Mar 97	.8546	.8540	.8538	+2	617

Est. sales N.A. Fri's. sales 18,349
Fri's open int 41,667 up 2673

3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct

	High	Low	Close	Chge	Opint
Sep 96	96.01	95.97	95.99	— 0.05	45,216
Dec 96	95.99	95.93	95.95	— 0.06	50,906
Mar 97	95.94	95.90	95.93	— 0.05	34,745
Jun 97	95.78	95.74	95.76	— 0.05	21,904
Sep 97	95.53	95.50	95.51	— 0.05	14,964
Dec 97	95.27	95.23	95.25	— 0.04	10,892
Mar 98	95.01	95.01	95.01	— 0.04	9,189
Jun 98	94.77	94.77	94.77	— 0.04	6,036
Sep 98	0.00	0.00	94.54	+ 0.00	4,389
Dec 98	94.28	94.28	94.28	+ 0.00	4,860
Mar 99	94.02	94.02	94.02	— 0.01	8,581
Jun 99	0.00	0.00	93.83	+ 0.00	1,922

Est. volume: 24,542. Open int.: 213,604 off 563.

Industrials

COTTON 2 (NCTN) 50,000 lbs.- cents per lb.

	High	Low	Close	Chge	Opint
Oct 96	74.98	73.70	73.79	—0.51	6,936
Dec 96	75.70	74.25	74.45	—0.52	29,779
Mar 97	76.80	75.50	75.50	—0.58	7,997
May 97	77.50	76.70	77.30	+0.46	6,081
Jul 97	78.15	77.40	77.90	+0.27	4,524
Dec 97	76.50	76.00	76.00		3,084

Est. sales N.A. Fri's. sales 14,335
Fri's open int 59,086 up 75

HEATING OIL (NMER) 42,000 gal- cents per gal

	High	Low	Close	Chge	Opint
Sep 96	62.15	60.30	60.90	—1.09	20,845
Oct 96	62.10	60.35	60.90	—1.08	27,980
Nov 96	61.90	60.60	61.00	—0.93	14,125
Dec 96	61.80	60.55	61.10	—0.78	26,579
Jan 97	61.35	60.30	60.50	—0.83	13,495
Feb 97	59.70	58.60	59.60	—0.13	7,688
Mar 97	57.25	56.60	57.20	—0.03	4,047
Apr 97	54.80	54.40	54.80	+0.12	2,283
May 97	52.70	52.55	52.70	+0.02	1,679
Jun 97	51.60	51.50	51.60	—0.18	2,196

Est. sales N.A. Fri's. sales 25,000
Fri's open int 125,698 off 1511

LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.

	High	Low	Close	Chge	Opint
Oct 96	22.05	21.40	21.60	—0.36	87,065
Nov 96	21.48	20.96	21.16	—0.29	38,573
Dec 96	21.02	20.53	20.74	—0.22	45,974
Jan 97	20.55	20.18	20.38	—0.15	29,933
Feb 97	20.18	19.88	19.98	—0.19	22,096
Mar 97	19.75	19.60	19.65	—0.17	13,189
Apr 97	19.43	19.30	19.40	—0.12	11,145
May 97	19.20	19.10	19.10	—0.15	6,497
Jun 97	19.00	18.86	18.94	—0.06	24,693
Jul 97	18.76	18.76	18.76	—0.05	8,747
Aug 97	18.56	18.56	18.56	—0.09	4,108
Sep 97	18.40	18.37	18.40	—0.09	5,578
Dec 97	18.08	17.95	18.00	—0.08	21,147

Est. sales N.A. Fri's. sales 42,494
Fri's open int 340,988 up 151

NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu

	High	Low	Close	Chge	Opint
Aug 96	1.990	1.820	1.820	—130	15,194
Oct 96	2.080	1.930	1.935	—88	31,392
Nov 96	2.200	2.080	2.085	—67	14,860
Dec 96	2.300	2.210	2.220	—51	14,920
Jan 97	2.310	2.241	2.241	—43	13,024
Feb 97	2.245	2.190	2.190	—30	7,262
Mar 97	2.170	2.115	2.120	—17	5,432
Apr 97	2.093	2.065	2.070	—15	3,951
May 97	2.045	2.025	2.030	—10	3,320
Jun 97	2.040	2.025	2.025	—5	2,925
Jul 97	2.040	2.025	2.035	—5	2,476

Est. sales N.A. Fri's. sales 39,732
Fri's open int 136,498 off 4873

UNLEADED GASOLINE (NMER) 42,000 gal- cents per gal

	High	Low	Close	Chge	Opint
Sep 96	63.15	60.50	61.42	—1.60	19,343
Oct 96	61.75	59.70	60.44	—1.32	21,075
Nov 96	59.80	58.60	59.19	—1.01	9,072
Dec 96	58.80	57.75	58.19	—0.76	4,439
Jan 97	57.80	57.40	57.54	—0.66	4,577
Feb 97	57.40	57.40	57.19	—0.46	1,557

Est. sales N.A. Fri's. sales 13,457
Fri's open int 63,349 off 314

CAC 40 (MATIF) FF200 per index point

	High	Low	Close	Chge	Opint
Aug 96	2026.0	2013.0	2019.5	— 4.50	23,692
Sep 96	2031.0	2019.0	2024.5	— 4.50	23,008
Oct 96	2031.5	2025.0	2029.5	— 5.50	475
Dec 96	2043.0	2043.0	2041.5	— 4.50	5,063
Mar 97	0.00	0.00	2059.0	— 4.50	4,672
Sep 97	2045.0	2045.0	2041.0	— 4.00	5,085
Mar 98	0.00	0.00	2084.5	— 4.50	2,320

Est. volume: 12,851. Open int.: 64,336 off 697.

Stock Indexes

S&P COMP. INDEX (CMER) 500 x index

	High	Low	Close	Chge	Opint
Sep 96	669.00	663.10	664.80	—4.00	171,300
Dec 96	673.15	669.00	670.90	—3.90	15,676
Mar 97	677.70	675.25	676.50	—4.20	1,852

Est. sales N.A. Fri's. sales 52,117
Fri's open int 189,774 off 1829

Commodity Indexes

	Close	Previous
Moody's	1,531.40	1,532.90
Reuters	N.Q.	1,953.20
D.J. Futures	151.53	150.37
CRB	250.33	250.64

Spot Commodities

Commodity	Today	Prev.
Aluminum, lb	0.658	0.66
Copper electrolytic, lb	0.95	0.95
Iron FOB, ton	167.00	167.00
Lead, lb	0.50	0.50
Silver, troy oz	5.22	5.17
Steel (scrap), ton	129.17	129.17
Zinc, lb	0.505	0.5047

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

Markets Closed

All London financial markets were closed on Monday.

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EUROPE

Sandoz Agrees to Sell Building-Products Unit To a VIAG Subsidiary

Compiled by Our Staff From Dispatches

BASEL, Switzerland — Sandoz AG said Monday it had agreed to sell its chemical building-products division to SKW Trostberg AG for 1.3 billion Swiss francs ($1.08 billion).

SKW, the chemicals division of the German industrial conglomerate VIAG AG, said it would integrate the Sandoz unit, which is called Master Builders Technologies SA and had 1995 sales of 1.3 billion Deutsche marks ($872 million), once approval is given by antitrust authorities. Sandoz said it expected to complete the transaction in the fourth quarter.

Sandoz, the Swiss drug company that plans to merge with Ciba-Geigy AG to form Novartis AG, said the sale would step up momentum toward its union with Ciba-Geigy.

Sandoz also said the acquisition of its unit by SKW could create a world leader in chemical products and systems for the construction industry.

The new entity was expected to generate annual sales of 2.4 billion DM and would employ about 6,500 people. That would make it the world's biggest supplier of construction chemical products and systems, Sandoz said.

Analysts approved the Sandoz move. "The price is higher than expected, and the whole thing went through faster than expected," said Philipp Buchli, an analyst at Bank Sal. Oppenheim Jr. & Cie. "It means another stumbling block for the Novartis merger is out of the way."

SKW shares rose 39.40 DM to 1.35 DM. Sandoz shares rose 1 franc to 1,465 francs.

SKW said the acquisition would help profit, but added only that this year's net result would be above the 1995 level of 120 million DM. Full-year sales were seen "around 4 billion marks," excluding the acquisition, up slightly from 3.87 billion DM last year, SKW said.

SKW also announced its first-half pretax profit, which rose 62 percent to 131 million DM, propelled by gains in its natural-chemicals division. Operating profit rose 9 percent to 150 million DM in the first six months, the company said.

First-half sales climbed 12 percent to 2.05 billion DM, while sales posted by SKW's building-chemicals unit rose 4.8 percent to 523 million DM.

SKW's first-half sales of natural chemicals rose 17.7 percent to 876 million DM. *(Bloomberg, AFP)*

After Cold War, Cool Profit

U.S. Firm to Develop Eastern German Sites

By Kevin McManus
Washington Post Service

WASHINGTON — R. William Mengel says he can cultivate profits in the tainted soil of Eastern Germany.

His company, R&D Tec Inc. of Abingdon, Maryland, plans to buy five former Soviet military bases near Berlin from the German state of Brandenburg. Then, drawing on a $75 million start-up stake, R&D Tec will give the bases a make-over, demolishing old buildings, cleaning up the land and building office parks and residential neighborhoods. Eventually, Mr. Mengel says, the company hopes to start similar ventures at as many as 20 other shuttered bases.

R&D Tec will have plenty of those to choose from. The Soviet withdrawal from Eastern Germany in 1991-94 left 423 military bases vacant in Brandenburg, the state that surrounds the Berlin area.

But Mr. Mengel's plan sounds bold, if not far-fetched, considering his background.

For 16 years, he has been principal owner and chief executive of EAI Corp., a separate company that provides engineering and scientific services to the U.S. government and to private companies that restore contaminated land. EAI, which is privately held, has 122 employees and had revenue of $8 million in 1995, and Mr. Mengel, 55, has no real-estate development experience.

He expects to complete the land purchase — five scattered parcels totaling about 3,700 acres — by January. Next spring, he said, he hopes to break ground at the first of the sites, in Bad Saarow, 25 miles (40 kilometers) southeast of the center of Berlin.

"Berlin has about 3.7 million people, Brandenburg about another 2.4 million; that is a substantial population base," Mr. Mengel said. When you lay on top of that the planned movement of Germany's capital from Bonn to Berlin, including embassies, trade associations, lobbyists and all the rest that comes with a national capital, he said, "I see Berlin as a larger Washington." What makes the former military bases so attractive, Mr. Mengel said, is that they contain developable land, a scarce commodity in Germany.

Brandenburg has large forest and agricultural tracts, but those are off limits to builders.

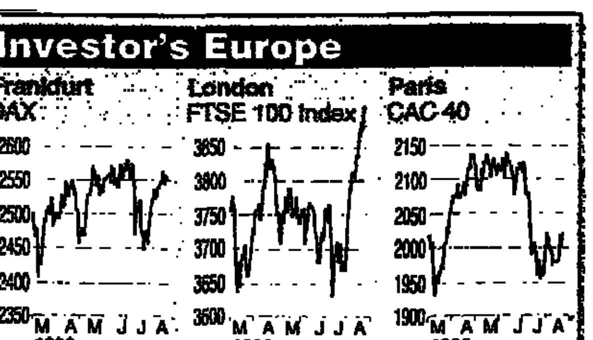
Mr. Mengel began his German venture in early 1994. An American archivist and editor who lived in Germany, Thomas Blake, called him in November 1993 and told him those former Soviet bases might present business opportunities. He later teamed up with Mr. Blake in forming R&D Tec.

"Part of my job as U.S. Army, command information specialist at the old Berlin command was learning about Soviet bases," Mr. Mengel said. "I looked at the infrastructure data and saw that some of these bases lay on the main roads and rail lines." On the first of the five sites to be developed, there will be a research park focusing on "medical, multimedia and tourism institutes," as well as housing and shops, he said.

By early next year, Brandenburg will sell the five parcels to R&D Tec GmbH at a discount, Mr. Mengel said. He said he could not provide a rough estimate of the price, but the discount will reflect R&D Tec's anticipated expenses in cleaning up the land.

"The Soviets didn't use advanced chemicals such as PCBs," Mengel said, "so we're talking primarily petroleum products; and then each of these bases has a dump, with everything from heavy metals to probably even some small-arms ammunition, and that'll be a mixed bag to go through."

Investor's Europe



Exchange	Index	Monday Close	Prev. Close	% Change
Amsterdam	EOE	556.19	560.73	-0.81
Brussels	Stock Exchange	9,577.36	9,604.76	-0.29
Frankfurt	DAX	2,552.36	2,555.16	-0.11
Copenhagen	Stock Market	423.23	423.41	-0.04
Helsinki	HEX General	2,131.31	2,127.09	+0.20
Oslo	OBX	451.83	454.18	-0.52
London	FTSE 100	Closed	3,907.50	-
Madrid	Stock Exchange	355.31	357.45	-0.60
Milan	MIBTEL	9,600.00	9,720.00	-1.23
Paris	CAC 40	2,020.42	2,020.82	-0.02
Stockholm	SX 16	2,081.40	2,082.66	-0.06
Vienna	ATX	1,034.09	1,033.97	+0.01
Zurich	SPI	2,376.46	2,382.20	-0.24

Source: Telekurs — International Herald Tribune

Very briefly:

- **Austria's** former finance minister, Hannes Androsch, is in an investment group planning to bid for **Semperit Reifen AG**, after its German parent, **Continental AG** of Germany, said it planned to cut tire production and transfer it to the Czech Republic.
- **Rabobank Nederland** said first-half net profit rose 22 percent, to 853 million guilders ($511.7 million), buoyed by double-digit rises in income from interest and commissions and by a 72-percent jump in results from financial transactions.
- **Western Germany**'s annual inflation rate rose to 1.4 percent in the year to mid-August, compared with 1.3 percent in July. Prices fell 0.1 percent in the month, compared with a rise of 0.4 percent in July.
- **DG Bank Group** reported first-half full-group operating profit after risk provisions of 266.2 million Deutsche marks ($178.7 million), up 30 percent from the same period a year earlier. Net interest income totaled 1.60 billion DM, up 15 percent.
- **DBKom Gesellschaft fuer Telekommunikation mbH & Co. KG**, a venture between **Mannesmann AG** and **Deutsche Bahn AG**, plans to hire 10,000 people by the end of 2006, its managing director told the German magazine Focus.
- **Israel**'s central bank lowered its central lending rate 50 basis points to 15.8 percent in response to a drop in inflation.
- **Romania** has approved an insurance deposit system to protect small investors.

Reuters, KRF/Global, Bloomberg, AFX

Price Wars Cloud Lufthansa Skies as Profit Dives 37%

Compiled by Our Staff From Dispatches

FRANKFURT — Deutsche Lufthansa AG said Monday that pretax profit fell 37 percent from a year earlier, to 119 million Deutsche marks ($80.5 million), because of low-priced competition and a fire in April at the Dusseldorf airport.

"Demand, particularly in the German market, was significantly behind expectations," the company said.

For the full year, the airline said pretax profit would be "at about last year's level" of 756 million DM after cost-cutting measures took effect.

Lutz Kunert, an analyst at Georg Hauck & Sohn, called the figures "in line with expectations" and predicted Lufthansa would meet its full-year forecast because of savings from cost cuts and extraordinary income.

The airline's stock fell 3.20 DM to close at 208. *(Bloomberg, Reuters)*

France Girds for Season of Strikes After Summer Break

Compiled by Our Staff From Dispatches

PARIS — France is bracing for a period of labor conflict after the summer holidays amid growing pessimism about the government's ability to bring down record unemployment and revive a sluggish economy.

"All the ingredients are there for an explosion," said Marc Blondel, leader of the Force Ouvriere union, which has a large following among public workers.

Several unions have called on their members to mobilize against plans to cut thousands of jobs in industry, banking and the defense sector.

Unemployment hit a record 3.06 million at the end of June, or 12.5 percent of the work force, and official figures indicate that France was in recession in the second quarter.

President Jacques Chirac has said, however, that the government will not change course on reducing public spending. "It is the government's responsibility to control the situation but certainly not to change its objective," he said.

The 1997 budget draft, which will be unveiled in mid-September, calls for a freeze in spending to narrow the public deficit so that France can meet the criteria for joining the planned European monetary union in 1999.

The government has decided not to create a new universal health-care tax to help cover the social security deficit, according to the financial daily Les Echos.

Prime Minister Alain Juppe faces the double challenge of meeting the conditions set by the Maastricht Treaty for the single currency and keeping a promise to reduce taxes before the next legislative elections in 1998. *(AFP, Reuters)*

2 Arrests in Statoil Bribery Case

AFX News

STAVANGER, Norway — Two Britons arrested as part of an investigation into alleged bribery at Statoil A/S were ordered Monday to be held in custody for 14 days, judicial officials said.

They were charged with bribery, according to Olav Laake, a municipal prosecutor. According to police, one suspect works for a consultancy and paid a Statoil executive 750,000 kroner ($116,325) in bribes over a six-year period to try to win contracts for engineering and other support work on North Sea oil installations.

The consultancy has won contracts with Statoil valued at 79 million kroner since 1988, according to Statoil. Norwegian police asked British police to join the inquiry because the suspect who works for the consultancy also runs a company in England, sources said.

Since 1994, Statoil has employed two former detectives to root out corruption after one of the company's engineers was jailed for two years for accepting $100,000 in bribes.

Gencor Says Platinum Merger Off as Profits Soar

Reuters

JOHANNESBURG — Unveiling strong earnings, the mining conglomerate Gencor Ltd. said Monday that a planned merger between its platinum division, Impala Platinum Holdings Ltd., and the platinum interests of Lonrho PLC would not take place.

"From a Gencor point of view, we are taking the position that it is not on, and we will continue to run Impala in its own way without that improvement we hoped for," Gencor's executive chairman, Brian Gilbertson, said. The announcement came as the company unveiled a sharp increase in earnings, with profit up 80 percent to 1.80 billion rand ($395.6 million) in the 12 months ended June 30.

In dollar terms, Gencor's income attributable to shareholders rose by 68 percent to $469 million including exceptional items and by 37 percent to $388 million before exceptional items.

The company predicted further strong growth for the current year.

"Gencor is well placed to take up the challenges of the future," Mr. Gilbertson said. "I think we can look forward to further growth in the year ahead."

The company also said it planned to increase its 53 percent stake in the Colombian nickel producer Cerro Matoso SA.

"There are discussions," he said, adding, "I would not be surprised if during the course of the next general annual meeting we increased our stake."

On the Johannesburg Stock Exchange, Gencor's shares rose 0.40 rand to close at 15.

WORLD STOCK MARKETS

Monday, Aug. 26
Prices in local currencies.
Telekurs

Amsterdam
EOE Index: 556.19 — Previous: 560.73

	High	Low	Close	Prev.
ABN-AMRO	91.70	91	91.30	91.80
Aegon	83	82.10	82.10	82.80
Ahold	91.50	90.70	91.30	91.20
Akzo Nobel	197	195.40	195.90	197.30
Bols Wess cva	28.40	27.30	28.10	27.30
CSM cva	81.30	80.90	81	81
Dordtsche Pet	275.30	272.60	272.60	276.10
DSM	156	153	153.30	156
Elsevier	26.70	26.50	26.50	26.60
Fortis Amev	52	51	51.70	51.70
G-Broc cva	55.90	55.30	55.80	55.30
Hagemeyer	126	123	125	122.60
Heineken	379.90	375	377	379
Hoogovens	59.30	58.50	59	59.40
Hunt Douglas	115.50	115	115	116.30
ING Group	53	52.40	52.90	53.50
KLM	48	47.20	47.60	47.90
KNP BT	37.20	36.60	36.80	36.80
KPN	61	58.60	58.70	60.60
Nedlloyd Gp	39.20	38.70	38.90	39.30
Nutricia	217	209	214.10	210
Oce Grinten	169.40	168	169.20	169.30
Pakhoed	46.10	45.80	45.80	45.90
Philips Elec	56.70	55.90	56.10	56.70
Polygram	108.30	99.60	99.60	100
Randstad Hdg	128	126.50	127.60	127.80
Robeco	124.50	124	124.10	124.70
Rodamco	47.30	47.10	47.20	47.30
Rolinco	134.70	134.60	134.60	135.50
Rorento	98	97.70	97.70	97.90
Royal Dutch	253.60	252.30	252.30	255.10
Stork	51.90	50.70	51	50.80
Unilever cva	241.40	239	239.50	242
VNU	28.90	28.60	28.70	28.90
Wolters Kl cva	207.80	205.70	207	205.70

Bangkok
SET Index: 1095.44 — Previous: 1106.73

	High	Low	Close	Prev.
Adv Info Svc	340	334	336	340
Bangkok Bk F	320	308	312	308
Krung Thai Bk	110	107	107	111
PTT Explor	350	350	350	354
Siam Cement F	964	956	964	960
Telecomasia	46.50	45.75	46	46.50
Thai Airways	49.50	49.25	49.25	49.75
Thai Farm Bk F	264	262	262	264
Thai Teleph	44	43	44	44
Utd Comm	260	258	258	262

Bombay
Friday, Aug. 23 — Sensitive Index: 3431.40 — Previous: 3380.80

	High	Low	Close	Prev.
Assoc Cement	2130	2095	2098.50	2102.75
Grasim Ind	450	430	449.25	435
Hindalco Ind	1035	967	1002.75	964
Indust Lever	847	833	846.50	840.75
Indian Hotels	810	780	802.50	780
ITC	291	284.50	288.75	286.25
Larsen Toubro	248	245	246.75	245
Reliance Ind	216.75	210.50	214	212.25
Tata Eng Loco	498.75	487	495.25	489.25
Tata Iron St	191.50	187.75	188.25	188.50

Brussels
Stock Exchange Index: 9577.36 — Previous: 9604.76

	High	Low	Close	Prev.
Arbed	3420	3375	3410	3395
Barco Ind	5290	5250	5280	5290
BBL	5950	5880	5880	5940
Bekaert	24600	24500	24525	24600
CBR	2335	2325	2325	2330
CMB	2545	2510	2545	2555
Cockerill	137	134	134	137
Colruyt	11800	11625	11700	11650
Delhaize Lion	1675	1665	1665	1675
Electrabel	6920	6890	6900	6910
Electrafina	2810	2790	2810	2810
Fortis AG	4465	4425	4450	4450
GIB	1400	1398	1398	1406
GBL	3975	3810	3810	3970
Gen Banque	11150	11000	11075	11100
Glaverbel	3400	3360	3400	3400
Kredietbank	9450	9350	9420	9450
Mosane	2450	2360	2450	2450
Petrofina	9820	9770	9770	9820
Powerfin	4785	4680	4700	4620
Recticel	280	280	280	281
Royale Belge	6170	6150	6150	6170
Soc Gen Belg	2400	2385	2390	2390
Solvay	18300	18225	18225	18275
Tessenderlo	10875	10800	10825	10825
Tractebel	13350	13225	13300	13300
UCB	62500	61800	61950	62550
Union Miniere	2350	2340	2340	2345

Copenhagen
Stock Index: 423.23 — Previous: 423.41

	High	Low	Close	Prev.
Carlsberg B	341.27	335	337	336
Danisco	318	312	318	316
Den Danske Bk	402	398	398.50	402
D/S Svendbrg A	N.T.	N.T.	N.T.	211000
D/S 1912 A	N.T.	N.T.	N.T.	147000
East Asiatic Co	118	114	114.85	117
FLS Ind B	640	640	640	650
ISS Intl Svc B	134	129	131	133
Nvo Nordisk B	897	888	897	900
Radiometer B	365	365	365	364.55
Sophus Ber B	781	770	775	781
Tele Danmk B	276	266.50	275	275
Unidanmark A	260	257	260	261

Frankfurt
DAX: 2552.36 — Previous: 2555.16

	High	Low	Close	Prev.
AMB	1135	1110	1170	1105
AEG	153	153	154.50	156
Allianz Hdg	2715	2703	2710	2716
Altana	1149	1140	1147	1140
Badenwerk	563	562	563	563.50
BASF	43.90	43.60	43.80	43.60
Bayer Hypo Bk	42.70	42.35	42.48	42.77
Bay.Vereinsbank	50.20	49.60	49.80	50.35
Bayer	53.80	53.35	53.58	53.40
Berliner Kraft	417	417	417	417
BHF Bank	40.80	40.50	40.60	40.70
BMW	857	854	856	860
CKAG Colonia	125	124.50	124.50	125
Commerzbank	347.30	346.50	346.90	348
Daimler Benz	79.40	79.10	79.40	79.44
Degussa	511	506	511	507
Deutsche Bank	73.75	73.55	73.75	74.10
Dresdner Bank	41.05	40.95	41.05	41.05
Heidelbg Zml	995	990	995	990
Henkel	61.10	60.50	61	61.55
Hochtief	67.50	67.40	67.50	67.20
Hoechst	51.53	51.20	51.53	51.35
Holzmann Ph.	378	366	366	368
Karstadt	538.10	537.50	538.10	540.50
Linde	934	930	934	936
Lufthansa ord	209.50	207.50	208	211.20
MAN	352.80	349	352.80	352
Mannesmann	530	528	530	528.70
Metro	139.80	138.50	138.60	139.70
Muench Rueck	3428	3400	3413	3425
Preussag	364	360.25	361	362.50
PWA	202	200	202	198
RWE	54.60	54.20	54.55	54.75
SAP pfd	239.50	238.50	239	240.20
Schering	108.90	108.30	108.90	109
Schmalb Lub	279	275	279	275
Siemens	79.23	79.05	79.08	78.67
Suedzucker	751	751	751	752
Thyssen	264.90	264	264.90	265.70
Veba	77.60	77.40	77.55	77.65
VEW	459	452	459	452
Viag	558.50	555.50	555.50	559
Volkswagen	537.50	535	536.50	536
Wella	879.50	871	877	869.50

Helsinki
HEX General Index: 2131.31 — Previous: 2127.09

	High	Low	Close	Prev.
Cultor 1	226	225	225	225
Enso R	38.10	37.70	38.10	37.70
Huhtamaki 1F	165	164	165	166
Kesko	74.80	73	73	74.80
Kone BF	527	527	527	527
Merita A	9.80	9.61	9.69	9.74
Metra BF	238	238	238	240
Metso-Serla B	34	34	34	33.70
Nokia Prf F	185.90	183	185	185
Outokumpu A	86	85.50	86	86
Rautaruukki	38	37.70	37.70	38
Stockmann A	249	249	249	251.50
UPM-Kymme	101.60	100.10	101.50	100.50
Valmet A	75	74.80	74.80	75.20

Markets Closed

Stock markets in Hong Kong and London were closed Monday for a holiday.

Jakarta
Composite Index: 552.74 — Previous: 549.21

	High	Low	Close	Prev.
Astra Intl	2375	2350	2350	2375
Barito Pacific	1425	1425	1425	1450
Gudang Garm	8700	8150	8400	8125
Indah Kiat	1950	1950	1950	2225
Indocement	6800	6725	6800	6675
Indofood	4975	4925	4950	4950
Indorayon	2050	1950	2000	1950
Indosat	7400	7375	7400	7450
Kalbe Farma	4425	4375	4375	4475
Sampoerna	23025	22900	22950	23125

Johannesburg
All Market: 6657.42 — Previous: 6564.20

	High	Low	Close	Prev.
AngloAm-Corp	262	256	256	255.75
AngloAm Gold	403.50	402	403.50	404
AngloAm Ind	167.50	166	166	167.50
Barlow	41.45	41	41.45	41
C.G. Smith	21.40	20.75	21.40	20.90
De Beers	132.25	131	131	131.75
Driefontein	58	57	57.50	57.95
Freegold	48	47	47.35	46.50
Fst Natl Bk	27.40	26.85	27.40	27.50
Gencor	15	14.70	15	14.60
GFSA	135	133.50	134.50	135
Iscor	2.77	2.72	2.75	2.77
Johnnies Ind	58	57.25	58	57
Kloof Gold	43.50	43	43.25	43
Liberty Life	135.75	133.25	133.50	135.75
Minorco	100	99.75	100	99.75
Nedcor	58.25	57.75	58	58
Rembrandt Gp	35.10	34	35.10	34.90
Richemont	67.25	66.50	66.75	67
Rust Platinum	70	69.50	70	71.25
SA Breweries	122.50	120.25	121.50	122.50
Sappi	43.25	43	43	43
Sasol	46.10	45.60	45.70	46
SBIC	168	167	167	170
Tiger Oats	55	54.25	54.25	55

Kuala Lumpur
Composite: 1116.37 — Previous: 1119.48

	High	Low	Close	Prev.
Genting	18.70	18.60	18.70	18.60
Hicom Hldgs	7.15	6.70	7	7.15
Mal Banking	24.20	24	24	24
Mal Intl Ship F	7.55	7.50	7.50	7.55
Public Bank F	4.88	4.86	4.88	4.88
Resorts World	13.60	13.40	13.60	13.40
Sime Darby	8.20	8.05	8.15	8.10
Telekom Mal	22	21.60	21.70	21.80
Tenaga	9.25	9.10	9.10	9.20
Utd Engineers	17.80	17.50	17.80	17.80

Madrid
Bolsa Index: 355.31 — Previous: 357.45

	High	Low	Close	Prev.
Acerinox	13650	13510	13510	13700
ACESA	1325	1310	1315	1330
Argentaria	5150	5070	5140	5150
BBV	5310	5270	5280	5320
Banesto	809	803	805	815
Bankinter	14400	14260	14290	14400
Bco Centro Hisp	2540	2510	2540	2560
Bco Exterior	2825	2825	2825	2825
Bco Popular	21200	21060	21200	21300
Bco Santander	6410	6300	6360	6340
CEPSA	3965	3920	3960	3950
Corp Mapfre	6170	6140	6160	6160
Dragados	1600	1580	1585	1590
Endesa	7550	7400	7500	7590
FECSA	922	915	919	917
Fomento Const	9900	9760	9760	9960
Gas Natural	24160	24050	24080	24300
Hidrol Cantab	4075	4020	4040	4070
Iberdrola	1135	1120	1120	1140
Pryca	3055	3020	3035	3080
Repsol	4870	4830	4840	4875
Sevillana Elec	1040	1020	1035	1045
Tabacalera	4940	4850	4915	4875
Telefonica	2375	2355	2365	2375
Union Fenosa	767	757	761	769
Valenc Cement	1360	1360	1360	1360

Manila
PSE Index: 3210.38 — Previous: 3226.46

	High	Low	Close	Prev.
Ayala A	19.25	19	19.25	19
Ayala Land	33	32.50	32.50	32.50
Manila Elec A	109	107	108	110
Metro Bank	620	610	620	610
Petron	10.50	10.25	10.50	10.75
Phil Long Dist	1590	1570	1575	1595
San Miguel A	42	41.50	41.50	41.50
San Miguel B	86.50	86	86.50	86.50
SM Prime Hdg	6.40	6.30	6.40	6.40

Mexico
Bolsa Index: 3357.37 — Previous: 3364.37

	High	Low	Close	Prev.
Alfa A	33.40	32.80	33.00	33.40
Cemex B	31.10	30.90	31.00	31.00
Cifra C	12.30	12.10	12.18	12.30
Empresas ICA	114.90	113.80	114.00	114.50
Emp Moderna	38.00	37.55	37.95	37.60
Femsa	23.10	22.75	22.85	22.90
Gpo Carso A1	35.70	35.50	35.60	35.40
Televisa CPO	116.30	115.00	115.80	115.10
TelMex L	12.72	12.64	12.72	12.70
Tribasa	17.20	17.00	17.02	17.20

Milan
MIB Telematico: 9600.00 — Previous: 9720.00

	High	Low	Close	Prev.
Alleanza Assic	11790	11400	11580	11700
Bca Comm Ital	2930	2880	2885	2945
Bca Naz Agricol	835	835	835	835
Bca Naz Lavoro	11000	10930	10930	10980
Bca di Roma	1220	1186	1197	1220
Bco Ambrosian	3700	3610	3660	3720
Benetton	17130	17000	17110	17160
Credito Italiano	1710	1693	1710	1722
Fiat	4750	4670	4725	4790
Fondiaria	6170	6020	6050	6180
Generali Assic	34550	34100	34350	34800
IFIL	3845	3760	3795	3870
Italcementi	9950	9870	9870	9950
Italgas	5195	5135	5170	5220
Mediobanca	8445	8255	8285	8410
Montedison	1010	984	986	1010
Olivetti	807	783	791	817
Pirelli	2510	2495	2500	2535
RAS	13790	13605	13615	13800
Rinascente	9450	9320	9450	9455
S Paolo Torino	9585	9420	9495	9735
SME	2400	2400	2400	2280
Standa	14000	14000	14000	14000
Stet	4825	4785	4810	4865
Telecom Italia	3010	2975	2995	3070
Toro Assic	16600	16500	16550	16930

Montreal
Industrials Index: 2340.75 — Previous: 2358.94

	High	Low	Close	Prev.
Alco I	20	19.90	19.90	20
Bank Montreal	34.05	33.65	33.70	33.65
Bce Mob Com	40½	40½	40½	40½
Cdn Tire A	16.35	16.10	16.10	16.40
Cdn Util A	28.85	28½	28.60	29
Cascades	6	5.95	6	5.95
CT Finl Svc	28	27.95	28	27¾
Extendicare	15¼	15	15	15.60
Gaz Metro	15¾	15.60	15.70	15.70
Gt-West Lifeco	35¾	35½	35½	36
Hees Intl Bcp	16.30	16.10	16¼	16¼
Hudson's Bay	20.10	20	20.05	20
Imasco	27¼	26.90	27	26.70
Investors Grp	19.10	19	19	19.30
Loblaw Cos	11.40	11.40	11.40	11.40
Molson A	20.95	20.90	20.90	21
Natl Bk Canada	11.80	11¾	11.80	11¾
Oshawa A	21.30	21.30	21.30	21¼
Pancdn Petlm	49	48.80	49	48¼
Power Corp	24.60	24.35	24.55	24.45
Power Finl	40.10	39.70	39.90	39.70
Quebecor B	21.35	21.10	21.35	21.15
Rogers Comm B	10	9¾	9.30	10.05
Royal Bk Cda	35.15	34.85	34.85	34.95
Sears Canada	7.90	7.80	7.90	7.80
Shell Cda A	46.60	46	46¼	46.45
Southam	16.40	16.40	16.40	16.45
Stelco A	6.60	6½	6½	6.55
Trilon Finl A	5.80	5¾	5.80	5¾

Oslo
OBX Index: 451.83 — Previous: 454.18

	High	Low	Close	Prev.
Aker A	130	129	129	129.50
Bergesen Dy B	131	130	130.50	130.50
Christiania Bk	16.20	15.90	16.20	16
Den norske Bk	20.90	20.60	20.90	20.90
SAS Norge ASA	64.50	63.50	64	65.50
Dyno Indust	142	141	142	143
Elkem	91.50	89.50	91	90
Hafslund A	46.50	46	46.50	46
Kvaerner	231	229	230.50	233
Leif Hoegh	112	108	108	113
Norsk Hydro	295.50	294	295	296.50
Norske Skog A	196.50	193	196	193
Orkla	348	343	343.50	348.50
Rieber B	N.T.	N.T.	N.T.	136
Saga Petlm B	89.50	88	89.50	90
Schibsted	94	93	93.50	93
Unilstorebr A	35.60	35	35.40	35.90

Paris
CAC-40: 2020.42 — Previous: 2020.82

	High	Low	Close	Prev.
Accor	632	625	627	625
AGF	133.80	132.40	133.50	132.30
Air Liquide	891	881	884	889
Alcatel Alsth	403.70	401	401.70	404.70
Axa	291.80	289.80	290.20	289.30
Bancaire	535	526	530	533
BNP	186	182.50	184.90	184.50
Bouygues	503	497	497.20	496.50
Canal Plus	1289	1185	1189	1189
Carrefour	2589	2554	2560	2578
CCF	243	240	241.60	241.70
Credit Local cl	421	413	419.40	420
Credit Lyon PC	124	120	121.90	122
Crown Cork Seal	N.T.	N.T.	N.T.	242.50
Danone	729	723	728	728
Elf-Aquitaine	386	381.60	382	387.50
Eridania BS	777	760	766	767
Euro Disney	11.95	11.75	11.85	11.95
Eurotunnel uts	8.40	8.25	8.35	8.45
Gen. Eaux	501	496.50	497.60	498.50
Havas	352.90	347.40	352	348.50
Lafarge Cop	295	291.40	293.20	295
Legrand	805	797	801	806
L'Oreal	1668	1640	1652	1657
LVMH	1114	1096	1110	1095
Lyon. Eaux	452	448.20	450.70	450.90
Michelin B	244.80	242.70	244.60	243.90
Moulinex	722	721	722	730
Paribas A	321	316.50	320.10	318.40
Pechiney SA	214.60	210.50	210.50	214.80
Pernod Ricard	309.20	307	309	310
Peugeot Cit	601	596	600	598
Pinault-Print	1685	1661	1667	1678
Promodes	1278	1265	1268	1270
Renault	116.50	115.50	115.90	115.40
Rh-Poulenc A	135	132.50	134.60	133.60
Roussel-Uclaf	1183	1152	1165	1100
Sanofi	404	397	403.20	402
Schneider	230.20	228.40	229.90	228.90
Ste Generale	575	567	572	569
St Gobain	641	633	641	637
St Louis	1246	1236	1238	1239
Suez	185	183.10	184	183.50
Thomson CSF	139.80	136.10	138.40	136.30
Total B	377	373.10	376.90	376
UAP	103.50	101.80	102.50	102.80
Valeo	264.20	260	261	260.90

São Paulo
Bovespa Index: 60538.30 — Previous: 62827.10

	High	Low	Close	Prev.
Bco Brasil Pfd	9.91	9.70	9.80	9.70
Banespa Pfd	3.40	3.30	3.30	3.41
Bradesco Pfd	8.61	8.50	8.60	8.60
Brahma Pfd	623.00	621.00	621.00	623.01
Cemig Pfd	29.60	29.35	29.40	29.45
CESP Pfd	29.51	29.35	29.35	29.50
Eletrobras B	264.00	264.00	264.00	279.00
Itaubanco Pfd	420.81	420.00	420.00	421.00
Light	288.50	285.00	285.60	290.00
Paranapan Pfd	7.25	7.00	7.00	7.20
Petrobras Pfd	118.00	115.50	115.51	119.00
Sid Nacional	23.10	22.90	22.90	23.30
Souza Cruz	7.71	7.70	7.70	7.81
Telebras Pfd	75.60	73.11	73.11	75.30
Telesp Pfd	192.00	188.00	189.00	192.00
Usiminas Pfd	1.06	1.04	1.05	1.06
CVRD Pfd	19.00	18.75	18.75	19.00

Seoul
Composite Index: 766.89 — Previous: 781.42

	High	Low	Close	Prev.
Daewoo Heavy	6300	6100	6180	6250
Hyundai Eng	30000	28500	28500	29600
Hyundai Motor	30800	30000	30100	30600
Korea El Pwr	25000	24300	24300	24400
Korea Mob Tel	590000	550000	550000	569000
LG Electronics	16300	15400	15400	16000
Pohang Iron St	49000	47500	47700	48600
Samsung Elec	68400	62000	62000	68000
Samsung Hvy	10900	10200	10300	10800
Yukong	21100	20800	20800	20900

Singapore
Straits Times: 2160.03 — Previous: 2181.52

	High	Low	Close	Prev.
Cerebos Pac	12.10	12.10	12.10	12.10
City Devts	11.40	11.20	11.30	11.50
Cycle Carriage	13.50	13.40	13.50	13.50
Dairy Farm Int *	0.80	0.79	0.80	0.79
DBS	9	8.90	9	9
DBS Land	4.84	4.74	4.74	4.80
Fraser & Neave	14.30	14.20	14.30	14.50
HK Land *	2.39	2.37	2.38	2.38
Hong Leong Fin	3.52	3.52	3.52	3.52
Jard Matheson *	6.55	6.50	6.50	6.55
Jard Strategic *	3.26	3.24	3.24	3.24
Keppel	10.80	10.80	10.80	10.80
Natsteel	2.38	2.30	2.32	2.39
Neptune Orient	1.33	1.30	1.31	1.34
OCBC foreign	16.50	16.40	16.50	16.40
O'Sea Union Bk	6.70	6.65	6.70	6.65
Sembawang	6.40	6.15	6.35	6.20
Sing Airlines F	14.50	14.30	14.50	14.40
Sing Petlm	1.78	1.76	1.78	1.71
Sing Press F	25.40	25	25.20	25.50
ST Auto F	N.T.	N.T.	N.T.	2.85
ST Ship	2.14	2.12	2.12	2.15
Sing Telecomm	3.38	3.28	3.34	3.40
Straits Steam	4.72	4.68	4.70	4.70
Utd Industrial	1.35	1.33	1.34	1.35
Utd O'Sea Bk F	13.50	13.30	13.40	13.60
Wing Tai Hdgs	3.08	3.04	3.06	3.10

*: in U.S. dollars.

Stockholm
SX 16 Index: 2081.40 — Previous: 2082.66

	High	Low	Close	Prev.
AGA BF	104.50	101.50	104.50	102
ABB AF	722	718	720	721
AssiDoman F	164	160	163.50	161
Astra AF	281	278	279	279.50
Atlas Copco AF	129	125.50	127.50	126
Avesta F	67	65.50	66	66.50
Electrolux BF	380	377	378.50	379
Ericsson BF	154	152	153.50	152.50
Hennes BF	690	672	690	683
Incentive AF	356	354	356	354
Investor BF	240	237.50	238	239.50
Kinnevik BF	188	186	187	187.50
MoDo BF	188	182.50	187	183.50
Sandvik BF	145.50	144	145	144.50
SCA BF	142.50	140.50	142	141
S-E Banken AF	56.50	55.50	56	56.50
Skandia Fors F	159.50	157.50	158.50	158
Skanska BF	253	250.50	252.50	251.50
SKF BF	151	148	150	151
SSAB BF	84.50	81	84.50	82.50
Stora AF	94.50	91.50	93.50	92
Sv Handles AF	144	141	142	144
Sydkraft AF	145	145	145	145
Trelleborg BF	85	83.50	84.50	83.50
Volvo BF	138	135.50	137	138

Sydney
All Ordinaries: 2282.10 — Previous: 2292.90

	High	Low	Close	Prev.
Amcor	7.76	7.72	7.74	7.73
ANZ Bkng	6.74	6.67	6.70	6.75
BHP	17.62	17.50	17.58	17.64
Boral	3.08	3.03	3.05	3.08
Brambles Ind.	19.09	18.91	18.96	19.15
Burns Philp	2.10	2.04	2.05	2.08
CBA	11.57	11.42	11.44	11.48
CC Amatil	16.89	16.65	16.89	16.90
Coles Myer	4.44	4.40	4.43	4.42
Comalco	7.20	7.10	7.10	7.48
CRA Ltd	19.68	19.53	19.58	19.70
CSR	4.47	4.44	4.47	4.45
Fosters Brew	2.32	2.29	2.31	2.31
GIO Australia	3.23	3.20	3.21	3.22
Goodman Fld	1.32	1.31	1.32	1.32
ICI Australia	11.76	11.65	11.65	11.74
John Fairfax	2.68	2.65	2.67	2.70
Lend Lease	20.95	20.70	20.91	20.95
Mayne Nickless	8.25	8.06	8.24	8.05
MIM Hdgs	1.64	1.60	1.63	1.62
Nat Aust Bank	12.60	12.43	12.46	12.63
News Corp	6.64	6.58	6.61	6.70
North Ltd	3.74	3.70	3.70	3.75
Pacific Dunlop	2.73	2.68	2.72	2.71
Pioneer Intl	3.62	3.56	3.62	3.57
Placer Pacific	1.74	1.70	1.70	1.74
Santos	4.88	4.85	4.87	4.87
Southcorp	3.15	3.12	3.15	3.15
Wesfarmers	7.94	7.86	7.86	7.91
Wstrn Mining	9.02	8.90	8.95	8.98
Westfield Trt	2.34	2.31	2.32	2.34
Westpac Bkng	6.24	6.17	6.18	6.25
Woodside Pet	7.75	7.64	7.66	7.74
Woolworths	2.89	2.86	2.88	2.89

Taipei
Stock Market Index: 6288.48 — Previous: 6200.22

	High	Low	Close	Prev.
Asia Cement	51	50	50	50.50
Cathay Life Ins	168	164	165	164
Chang Hwa Bk	160	155	157	156
China Steel	26.80	26.30	26.30	26.40
China Trust	51.50	50	50	50
Evergreen	49	47.30	47.90	48.20
Far East Text	30.80	29.80	30.10	30.20
First Bank	166	160	162	161
Formosa CF	32.80	31.30	31.70	31.80
Hua Nan Bk	136	131	132.50	132
Hualon Teijran	23.80	23.10	23.30	23.30
ICBC	84	81.50	81.50	81
President Ent	41.20	39.80	40.10	40.40
Taiwan Cemt	56	54.50	54.50	54.50
Tatung	59	57.50	58.50	58

Tokyo
Nikkei 225: 20883.74 — Previous: 21228.80

	High	Low	Close	Prev.
Ajinomoto	1230	1220	1220	1240
All Nippon Air	1130	1110	1110	1130
Asahi Bank	1250	1210	1210	1260
Asahi Chem	761	753	757	761
Asahi Glass	1240	1220	1220	1230
Bk Tokyo Mitsu	2270	2230	2230	2280
Bk Yokohama	920	905	910	914
Bridgestone	1890	1880	1880	1900
Canon	2080	2030	2030	2080
Chiba Bank	900	888	888	900
Chubu Elec	2440	2420	2420	2420
Chugoku Elec	2340	2320	2320	2330
Daiei	1140	1120	1120	1140
Daiichi Kang	1900	1890	1890	1910
Daiwa Bank	720	707	708	720
Daiwa House	1570	1560	1560	1570
Daiwa Sec	1320	1300	1300	1330
Fanuc	4090	4030	4050	4060
Fuji Bank	2090	2050	2050	2100
Fuji Photo	3300	3220	3220	3330
Fujitsu	996	990	990	992
Hitachi	1010	1000	1000	1010
Honda Motor	2590	2550	2550	2540
IBJ	2420	2400	2420	2430
IHI	523	512	513	523
Itochu	691	685	686	692
Ito-Yokado	6100	6010	6040	6030
JAL	832	822	822	833
Jusco	3380	3330	3330	3380
Kajima	1010	994	994	1010
Kansai Elec	2430	2400	2400	2420
Kao	1350	1340	1340	1350
Kawa Steel	380	375	375	382
KDD	11800	11400	11400	11700
Kinki Nipp Ry	771	763	763	771
Kirin Brewery	1210	1190	1190	1200
Kobe Steel	297	292	292	296
Komatsu	965	953	960	963
Kubota	671	664	665	670
Kyocera	7450	7380	7430	7500
Kyushu Elec	2370	2360	2360	2370
LTCB	779	760	760	783
Marubeni	568	545	545	562
Marui	2300	2260	2280	2300
Matsu Elec Ind	1920	1880	1880	1930
Matsu Elec Wk	1110	1090	1100	1100
Mitsubishi	1310	1290	1290	1310
Mitsubishi Ch	500	489	490	502
Mitsubishi El	728	703	703	728
Mitsubishi Est	1430	1410	1410	1440
Mitsubishi Hvy	901	889	889	907
Mitsubishi Mat	925	917	920	924
Mitsubishi Tr	1680	1660	1660	1690
Mitsui	953	940	940	952
Mitsui Fudosn	1410	1390	1410	1400
Mitsui Trust	1130	1100	1100	1130
Murata Mfg	4000	3900	3930	4030
NEC	1200	1180	1180	1190
New Oji Paper	910	900	900	913
Nikko Sec	1180	1160	1160	1180
Nintendo	6600	6550	6580	6510
Nipp Credit Bk	381	378	378	381
Nipp Express	988	980	980	998
Nippon Oil	690	682	684	699
Nippon Paper	695	680	681	690
Nippon Steel	355	346	346	359
Nippon Yusen	595	587	587	595
Nippondenso	2280	2230	2230	2280
Nissan Motor	855	835	835	861
NKK	298	291	291	300
Nomura Sec	1990	1950	1950	2000
NTT	8100a	7960a	7970a	8110a
Obayashi	923	907	907	928
Odakyu El Ry	707	703	703	706
Ono Pharm	3750	3630	3630	3700
Osaka Gas	376	371	372	377
Ricoh	1080	1070	1070	1090
Sakura Bk	1080	1030	1030	1080
Sankyo	2830	2750	2770	2840
Sanwa Bank	2000	1960	1960	2010
Sanyo Elec	603	582	583	603
Secom	7020	7000	7000	7020
Seibu Rwy	5860	5720	5720	5820
Sekisui House	1160	1150	1160	1150
Seven-Eleven	6820	6740	6750	6780
Sharp	1780	1750	1770	1790
Shimizu	1120	1090	1090	1120
Shin-etsu Ch	1970	1950	1960	1960
Shizuoka Bk	1290	1280	1280	1280
Sony	6990	6910	6910	6990
Sumitomo	929	922	923	943
Sumitomo Bk	2080	2040	2050	2090
Sumit Chem	516	505	505	518
Sumitomo Elec	1500	1480	1480	1490
Sumit Metal	323	313	313	326
Sumit Trust	1350	1300	1300	1350
Taisei	703	699	699	701
Taisho Pharm	2270	2250	2250	2280
Takeda Chem	1870	1850	1850	1860
TDK	6340	6300	6330	6390
Tohoku El Pwr	2350	2320	2320	2350
Tokai Bank	1320	1310	1310	1320
Tokio Marine	1290	1260	1260	1300
Tokyo El Pwr	2670	2650	2650	2670
Tokyo Gas	372	367	367	371
Tokyu	760	744	744	763
Tonen	1520	1480	1480	1520
Toppan Print	1480	1450	1450	1470
Toray Ind	723	700	706	723
Toshiba	732	717	717	732
Toyo Seikan	3790	3700	3730	3790
Toyo Trust	1020	988	998	1030
Toyota Motor	2700	2680	2680	2700
Yamaichi Sec	709	701	701	710
Yamanouchi	2260	2240	2240	2240
Yasuda Fire	756	732	732	756
Yasuda Trust	592	578	578	592

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Toronto
TSE Industrials: 5186.70 — Previous: 5193.80

	High	Low	Close	Prev.
Abitibi Price	19.60	19.35	19.45	19.35
Air Canada	4.83	4.80	4.80	4.80
Alberta Energy	25¼	25.15	25.20	25.20
Alcan Alum	44.35	44.05	44.10	44.35
Avenor A	24.40	24¼	24.35	24.40
Bk Nova Scotia	34.30	33.90	34	33.80
Barrick Gold	38.05	37.55	37.70	37.85
BCE	55.40	54.90	54.95	55.40
BC Telecomm	27½	27.40	27½	27.35
Bombardier B	19.55	19.40	19½	19½
Brascan A	26.70	26.40	26.40	26.60
Cameco	69½	69.10	69.40	69
CIBC	46.10	45¾	45.65	45.30
Cdn Airlines	1⅞	1.81	1.83	1.83
Cdn Natl Res	28.35	28	28.30	27.90
Cdn Occid Pet	23.10	22.60	22.60	22.90
Cdn Pacific	31.30	30.80	31.20	31.15
Cominco	30.95	30.90	30.95	30.90
Consumers Gas	21¼	21.60	21.70	21.60
Dofasco	21.20	21.10	21.10	21.20
Doman Ind B	8.95	8.65	8⅝	8½
Du Pont Cda A	30	30	30	30¼
Echo Bay Min	13.95	13¾	13.85	13.90
Empire Co. A	13	13	13	13
Falconbridge	30.40	30.15	30.20	30.30
Fletcher Chall A	20.10	20	20	20
Franco Nevada	49¼	48	49	48
Guardian Cap A	9.10	9.10	9.10	9
Horsham	18	17.90	17.90	18.05
Imperial Oil	60	59¼	60	59.45
Inco	45.45	45.20	45.30	45.45
IPL Energy	37.60	36.90	37.60	36.85
Laidlaw A	13¼	13.15	13.15	13¼
Laidlaw B	13.30	13.15	13.15	13.30
Loewen Group	40.85	40	40.10	40.90
Lon Insur Gp	30.70	30.65	30.70	30.80
Macmill Bldl	19.90	19¾	19.80	20
Magna Intl A	66	65.10	65.30	65
Maple Leaf Fds	8	7.85	8	7.90
Moore	24.05	23¾	23.80	24
Newbridge Net	82.15	80.05	81.10	82.60
Noranda Inc	29.10	28.90	28.90	29
Noranda Forest	9¼	9.15	9.20	9.15
Norcen Energy	24.95	24¾	24¾	24.80
Nthern Telecom	70	68¾	69.10	70.10
Nova	12.10	12	12.05	12.05
Onex	14.30	14.10	14.30	14.20
Placer Dome	34.70	34.05	34.10	34¼
Potash Sask	108½	105.70	108	106
Provigo	6.85	6.80	6.85	6.80
Quebecor Print	23.60	23.40	23.40	23.60
Renaissance	39.10	38.80	38.80	38.85
Rio Algom	27¾	27½	27½	27.70
Seagram Co	46¾	45¼	45½	46.35
Stone Consold	17½	17¼	17.45	17.40
Talisman Eny	35	34.80	34.80	34.85
Teleglobe	24	23.90	23.90	23.90
Telus	18.70	18.65	18.70	18¾
Thomson	23.80	23.70	23¾	23.65
TorDom Bank	26.95	26.60	26.80	26.60
Transalta	15.60	15½	15.55	15.60
TransCda Pipe	22.10	21.55	22.10	21.60
Utd Dominion	29.05	29	29	29.15
Westburn	10.20	10.05	10.20	10.20
Westcoast Eny	21.95	21¼	21.95	21¼
Weston	49	48.60	49	49¼

Vienna
ATX Index: 1034.09 — Previous: 1033.97

	High	Low	Close	Prev.
Aust Airlines	1395	1395	1395	1390
Brau-Un Goess	626	615	622	626
Bund Vers Pfd	410	410	410	418
Creditanst Pfd	489.90	484	489.90	487
EA-Generali	2920	2865	2920	2941.95
EVN	1430	1419	1425.50	1435
Interunfall	1517	1517	1518	1518
Lenzing	681	675	675	684
Leykam	290	285	288	290
Mayr-Melnhof	490	475	483	490
OMV	995	983.50	985.60	995
Oest Brau	635	625	635	635
Oest Elektriz	767	762.50	764.50	775
VA Tech	1328	1315	1328	1325
Wienerberger	1959.45	1948	1959.45	2010

Wellington
NZSE-40 Index: 2219.97 — Previous: 2222.52

	High	Low	Close	Prev.
Air N Zeald B	3.12	3.08	3.11	3.08
Brierly Invt	1.45	1.44	1.44	1.45
Carter Holt ord	3.31	3.27	3.28	3.27
Fernz	4.41	4.40	4.41	4.38
Fisher Paykel	4.75	4.72	4.75	4.71
FC Forest	2.04	2.00	2.03	2.03
Goodman Fder	1.48	1.48	1.48	1.51
Indep News	5.68	5.60	5.66	5.66
Lion Nathan	3.82	3.80	3.80	3.80
Nat Gas note	2.15	2.15	2.15	2.15
NZ Refining	26.50	26.50	26.50	26.60
Telecom NZ	6.90	6.84	6.85	6.90
Wilson Horton	9.40	9.34	9.40	9.35

Zurich
SPI Index: 2376.46 — Previous: 2382.20

	High	Low	Close	Prev.
Adia B	349	340	341	341
Alusuisse R	957	943	947	951
Ares-Serono B	1205	1185	1195	1170
Baloise Hdg R	2665	2620	2640	2640
ABB B	1492	1482	1483	1496
BK Vision	1440	1420	1435	1439
Bobst B	1680	1650	1670	1695
Ciba Geigy R	1563	1555	1558	1563
CS Holdings R	128.50	127.25	128.25	127.75
Elektrowatt B	486	475	484	486
Fischer B	1248	1230	1245	1240
Hilti PC	853	852	852	855
Holderbank B	934	925	930	933
Jul. Baer Hdg B	1341	1336	1337	1341
Merkur Hdg R	215	210	210	212
Nestle R	1423	1415	1417	1426
Oerlikon R	123.25	122.50	122.75	123.25
Pargesa Hld B	1390	1375	1375	1400
PharmVisn B	5750	5250	5720	5720
Pirelli B	155	154	155	155
Roche Hdg PC	9485	9415	9430	9480
Sandoz R	1467	1460	1465	1464
SBC R	237.50	236.25	237	237.25
Schindler B	1174	1173	1173	1173
SGS B	2770	2745	2765	2780
SMH B	822	810	820	828
Sulzer R	767	758	767	769
Swiss Reins R	1280	1258	1270	1265
Swissair R	1119	1055	1116	1105
UBS B	1202	1189	1196	1201
Winterthur R	761	752	757	756
Zurich Assur R	334	329	330	331

The Trib Index

Closing prices.

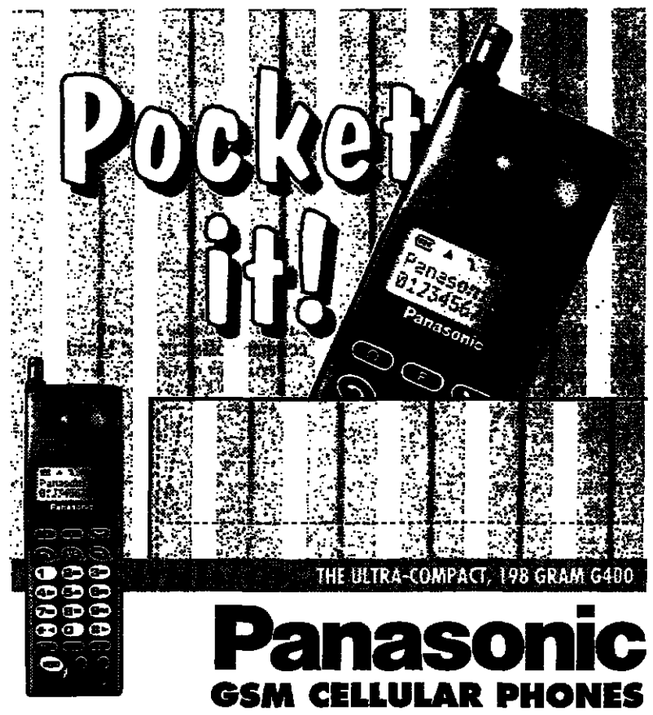
Jan. 1, 1992 = 100.	Level	Change	% change	year to date % change
World Index	138.10	-0.89	-0.64	+4.72
Regional Indexes				
Asia/Pacific	129.04	-1.31	-1.00	-3.89
Europe	147.61	-0.51	-0.34	+6.06
N. America	142.24	-0.68	-0.48	+10.88
S. America	104.89	-2.02	-1.89	+17.80
Industrial Indexes				
Capital goods	147.76	-0.51	-0.34	+11.20
Consumer goods	148.70	-0.51	-0.34	+7.70
Energy	145.33	-1.25	-0.85	+7.16
Finance	119.78	-1.12	-0.93	-5.86
Miscellaneous	142.99	-0.13	-0.09	+5.29
Raw Materials	164.19	-0.96	-0.58	+15.79
Service	126.69	-1.06	-0.83	+5.57
Utilities	127.93	-1.39	-1.07	+0.62

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. *Compiled by Bloomberg Business News.*

NYSE

Monday's 4 p.m. Close

Nationwide prices, not reflecting late trades elsewhere.
The Associated Press.



Continued on Page 16

هكذا من الأصل

Quarterly BOJ Survey To Show Lukewarm Corporate Outlook

Compiled by Our Staff From Dispatches

TOKYO — The Bank of Japan's quarterly *tankan* survey, to be released Wednesday, is expected to show only sluggish improvement in corporate sentiment, economists here said Monday.

The survey will confirm that the economic recovery remains gradual, said Soichi Okuda, an economist at Nippon Credit Bank Research Institute, and "I will not be able to conclude a self-sustaining recovery will be possible in the second half of this fiscal year," which ends March 31, 1997.

The diffusion index for major manufacturers is expected to stand at zero in this week's report, no better than the Bank of Japan's outlook for the June-September period in the May tankan.

The diffusion indexes represent the net percentage of corporations that see "favorable" business conditions. A negative number indicates that "unfavorable" forecasts exceed "favorable" ones.

Analysts said the survey was unlikely to rekindle speculation about a rise in Japanese interest rates. The Bank of Japan has used its tankan survey in the past as the basis for its decisions on monetary policy.

After the U.S. Federal Reserve Board's decision to leave interest rates unchanged last week, followed by a cut in rates by the Bundesbank, Japan did not appear ready to signal an interest-rate rise.

Economists said the recent fall in the value of the yen would help exporters but said sluggish growth in industrial production probably would prevent manufacturer sentiment from improving rapidly.

In June, Japan's industrial production posted a large 4.3 percent drop.

Economists said at least two other factors also would slow any improvement in sentiment among manufacturers:

Recent sluggish demand for semiconductors probably will undermine sentiment in the electric-machinery industry — orders for machinery used to make semiconductors declined 2 percent in the year ended in June, the first year-on-year fall since December 1992 — and primary manufacturers, including steel, paper and chemical makers, are still having a difficult time cutting excess inventories.

(KRF/Global News, AFP)

Yasuda Expanding Its Stake in Cigna

KRF/Global News

TOKYO — Yasuda Fire & Marine Insurance Co., one of Japan's *premier nonlife insurance firms*, will acquire a majority stake in the Japanese operations of the American life insurer Cigna Corp., Yasuda officials announced Monday.

The move follows deregulatory moves in the insurance sector that allow nonlife and life insurance companies to establish subsidiaries in each other's respective fields.

Yasuda currently holds a 10 percent stake in INA Life Insurance Co., Cigna's Japanese operating unit. That stake will be increased to a majority interest in the next year or two, pending agreement on details between the two firms, Yasuda's president, Koichi Ariyoshi, said.

The Japanese insurer has not decided by exactly how much it will increase its stake in INA or what price it will pay for the further acquisition of shares. Those details will be agreed upon after discussions with Philadelphia-based Cigna, Mr. Ariyoshi said.

INA will be renamed Yasuda Fire & Marine INA Life Insurance.

Japan Wakens to Deficit Crisis

Debt Load Threatens Economy's Recovery

Bloomberg Business News

TOKYO — Japan, which to many of its trading partners has become synonymous with large trade and current-account surpluses, has a deficit that dwarfs those of most other countries, too.

Its accumulated public budget deficit, including that of municipalities, has soared to almost 90 percent of the nation's annual output, and economists say the government's failure to drive down that debt will slow Japan's economic recovery, push bond yields higher and place an increasing tax burden on companies and individuals.

Japan's deficit — fueled by four years of economic stimulants and the ballooning cost of caring for an aging population — will be 4.8 percent of this year's gross domestic product. That's about two and a half times the rate in the United States, according to projections by the Organization of Economic Cooperation and Development.

"What we are facing is nothing but a fiscal debt crisis," Finance Minister Wataru Kubo warned at a recent press conference.

It's going to get worse.

The cabinet recently approved a 3.4 percent increase in the general budget for next year. But economists say that figure is artificially low, because the Finance Ministry will probably push for a supplementary budget in the autumn as it has done every year since World War II.

Those extra budgets recently have been packed with pump-priming public-works projects.

Besides that, the official accumulated debt figure of 442 trillion yen ($4.1 trillion) does not include "special accounts," among them some 27.6 trillion yen in debt left by Japan's former state-owned railway companies.

Paying for all of this is not getting any easier, either. Growth in corporate tax revenue is expected to be sluggish again this year, while the household savings rate, which long has been used to help fund the deficit, is falling.

The government says its total of bonds outstanding will total 240 trillion yen in March 1997 — and will double in 10 years.

As a result, economists say, bond yields are bound to rise and the economic recovery could stall as companies also increasingly draw on the bond market to fund capital spending.

"Risk premiums will be built into Japanese bonds," said Robert Feldman, senior economist at Salomon Brothers Asia. "We are looking for long-term rates to rise to 3.9 percent by the end of the year and to stay there in 1997 because of the fiscal problems." The benchmark 10-year government bond most recently traded at a yield of 3.11 percent.

A government panel said the deficit was 'an internal disease' that would require 'major surgery.'

Another effect of the deficit is about to be felt: The government will raise the consumption tax next April to 5 percent, from 3 percent now, partly to close the budget gap. That is expected to put a damper on the consumer spending that is crucial to a recovery.

If raising the consumption tax will generate more revenue, corporate taxes are another story.

Many Japanese companies, including most of the 20 largest banks, reported pretax losses for the year ended in March. Because companies are allowed to carry forward pretax losses into the next year, growth in corporate taxable income will be modest, economists say.

Prime Minister Ryutaro Hashimoto has called controlling the fiscal deficit one of his top priorities. A report in July by a government panel said the deficit was like "an internal disease" that would require "major surgery."

But the surprise is that it has taken so long for the alarms to sound in Tokyo. Japan's deficit has been mounting since the late 1980s, when the government began pouring trillions of yen into public-works projects, first to mollify its trading partners, principally the United States, by stimulating imports and later to prop up Japan's own recession-battered economy.

There are reasons for the delayed concern. For one, the savings rate here is higher than in most industrialized countries, and the government has the authority to tap into a vast chunk of it to finance its own deficit.

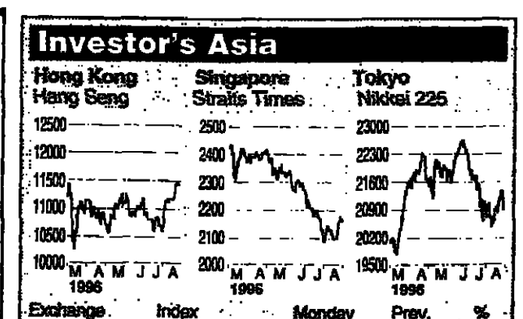
That is one reason the deficit has caused barely a ripple in the bond market so far: Japan's $9.7 trillion in household savings has absorbed many of the government bonds and helped avoid a shortage of funds in financial markets.

Then why the concern about the deficit now? Japan's household savings rate is projected to decline to 12.9 percent next year, from 20.8 percent in 1978, and Japanese depositors are increasingly seeking higher yields from foreign bonds.

For another reason, Japanese companies plan to increase capital investment 6 percent next year, compared with this year's 1.2 percent, meaning more will be borrowing from the bond market, which may compel the government to raise yields to attract investors.

The government is also under pressure to care for an aging population that pays less in taxes while absorbing some 20 percent of government spending through pensions and welfare. In 25 years, an estimated one-fourth of Japan's population will be 65 or older.

Investor's Asia



Exchange	Index	Monday Close	Prev. Close	% Change
Hong Kong	Hang Seng	Closed	11,424.84	-
Singapore	Straits Times	2,160.23	2,181.52	-0.98
Sydney	All Ordinaries	2,282.10	2,292.90	-0.47
Tokyo	Nikkei 225	20,883.74	21,228.80	-1.63
Kuala Lumpur	Composite	1,116.37	1,119.48	-0.28
Bangkok	SET	1,095.44	1,108.73	-1.02
Seoul	Composite Index	766.89	782.73	-2.02
Taipei	Stock Market Index	6,200.48	6,190.56	+0.16
Manila	PSE	3,210.30	3,226.46	-0.50
Jakarta	Composite Index	552.74	549.21	+0.64
Wellington	NZSE-40	2,219.97	2,222.59	-0.12
Bombay	Sensitive Index	3,433.55	3,431.40	+0.06

Source: Telekurs International Herald Tribune

Very briefly:

- **Mitsubishi Motors Corp.** and its Malaysian and Chinese partners will invest 1.44 billion yuan ($173.5 million) in two auto-engine plants in China. The partners will invest 710 million yuan in a plant in Harbin to produce 150,000 engines a year and 730 million yuan in a plant in Shenyang to produce 150,000 engines a year.
- **Mazda Motor Corp.**, as part of a struggle to drag itself out of a slump, launched a new station-wagon model in Tokyo. The Demio resembles a minivan and is powered by a 1.3 or 1.5-liter engine; it will not be introduced in the United States because that is not considered a compact-vehicle market, Mazda said.
- **Foster's Brewing Group Ltd.**'s net profit rose 2 percent, to 293.3 million Australian dollars ($231.7 million), in the year ended June 30.
- **Fujitsu Ltd.** will withdraw from the static random-access memory business, where Japanese companies are losing out to Taiwanese, and focus on large-volume chip business.
- **Indonesia** is offering to sell Argentina light passenger aircraft in exchange for soybeans, corn and wheat, it announced during a visit by President Carlos Menem of Argentina.
- **Taiwan's** Investment Commission approved 19 applications by Taiwan companies to invest a total of $95.9 million in China, including a $10 million investment plan by Tay Feng Tire Co., one of Taiwan's largest makers of automobile tires.

Bloomberg, Reuters, AFP, AP

ONLINE: *Deutsche Telekom Is Making Inroads Onto the Internet*

Continued from Page 11

Telekom took part in a round of bailout talks when Luxembourg-based Europe Online foundered last month.

The logic was that Telekom overnight could acquire a platform that could stretch across Europe and grow. Telekom is known for its appetite for acquisitions, but it turned this one down. According to Mr. DeRose at Jupiter, the technology was obsolete.

For a presence outside Germany, T-Online now will have to be content to be a shareholder in AOL-Bertelsmann as it penetrates new European markets.

Telekom entered the shareholding talks last November, just as an onslaught of services began to turn Europe's cyberlandscape topsy turvy. In the past 12 months, Europe has seen the launch of three major on-line providers, all of them giving marketing priority to Germany's vast and rich market. There have been smaller ones as well. Competition is so bruising that Europe Online, one of the three, logged off and gave up.

Just a year ago, T-Online itself was fully repackaged as a new service. It changed its name from the clumsier "Datex-J," switched to an advanced multimedia standard and for the first time offered Internet access and electronic mail.

For T-Online, its officials say, the most worrisome competitor is the software giant Microsoft. Within a year of its launch, Microsoft Network has become the third biggest on-line service in the United States, thanks largely to the popularity of Microsoft's Windows 95 operating system, which includes a preinstalled program to become a user of Microsoft Network.

With a deep-pocketed parent, a ready technological platform and the apparent resolve to endure incremental growth in non-U.S. markets over a long period, Microsoft Network poses a strategic predicament to T-Online, Telekom's Mr. Homeyer said.

CompuServe, a division of the U.S.-based tax-preparation concern H&R Block Inc., also continues to expand. It already is entrenched in Europe as an extension of its position as the world's second-largest on-line service behind AOL. In Germany, the CeBIT fair this week will showcase Germany's latest entrance ramps onto the Info-autobahn. An 11-month-old German-language service called germany.net, in which Deutsche Bank AG holds a 25 percent stake, ambitiously announced in a full-page newspaper advertisement that it would be "the leading on-line service in Germany."

In Malaysia, a Conglomerate Is Born

Reuters

KUALA LUMPUR — Pernas International Holdings Bhd. has become a major Malaysian conglomerate after acquiring the assets of the state investment firm Perbadanan Nasional last week, company officials said Monday.

Pernas is getting eight hotels, two more office buildings and 194,000 acres (78,000 hectares) of oil-palm plantations from the privatization of Perbadanan, which the government set up in 1969 as a vehicle to help ethnic Malays get started in business.

The company also takes over a land bank of 4,300 acres, an engineering and construction company and Pernas assets in other Southeast Asian countries and inherits Pernas's controlling stakes in three listed companies: Tradewinds (M) Bhd., which is involved in plantations, sugar refining and insurance; Malayawata Steel Bhd. and United Malayan Land Bhd., which is building a 5.5 billion ringgit ($2.2 billion) township in southern Johor state.

"PIHB will be one of the largest groups in Malaysia," its chairman, Shahriman Tunku Sulaiman, said.

Mr. Shahriman and 13 other managers took a controlling 32 percent stake in the enlarged company in the biggest management buyout in Malaysia's history.

Mr. Shahriman said his group had paid 495 million ringgit for the stake.

The company's deputy general manager, Mohamed Khadar Merican, said the acquisitions had transformed Pernas into a major conglomerate eligible to be included in the Kuala Lumpur Stock Exchange's composite index of the 100 biggest companies.

Mr. Shahriman said Pernas aimed to reach 500 million ringgit in net profit in five years, compared with its net of 42.4 million ringgit in its previous financial year and projected net of 51.4 million ringgit for the year ending Jan. 31, 1997. Its revenue was 1.16 billion ringgit in its latest year, up from 1.07 billion ringgit the year before. Pernas is paying 1.15 billion ringgit for the new assets, of which 600 million ringgit will be financed by issuing 250 million new shares at 2.40 ringgit each, 280 million will be raised through a bond issue with warrants and the rest will come from internal funds.

The company, formerly known as Pernas International Hotels & Properties, was transformed into Malaysia's biggest hotel operator when it acquired eight hotels in the privatization. It had three previously and plans to build two more.

The transactions also gave Pernas stakes in two residential property projects, the 1,000-acre Bangi Heights south of Kuala Lumpur, valued at 1.2 billion ringgit, and the 3,300-acre Seri Alam township in Johor, across the straits from Singapore, valued at 5.5 billion ringgit.

Mr. Shahriman said the company also had plans for refining and marketing palm oil, of which Malaysia is the largest producer and exporter. He said the company was in the final stages of negotiations with a cosmetics company to sell palm oil as a base for cosmetics. Asked whether the company was Avon Products Inc., he said, "That's a very good guess."

GAMES: *Manufacturer Plays for a Comeback With Nintendo 64*

Continued from Page 11

designers was shown last November when Nintendo introduced the Nintendo 64 at an exhibition in Tokyo.

Several companies raced to get prototypes ready to demonstrate on the new machine. But the night before the big event, Mr. Yamauchi decreed that only Super Mario 64 and Kirby's Air Ride, both developed by Nintendo itself, would be shown.

In the first round of the battle, Nintendo has scored well. The company said it had shipped 1.1 million machines in Japan in about six weeks beginning in June and estimated that 90 percent had been sold to consumers.

The company expects to ship a total of 3.6 million machines in Japan and 1 million in the United States by the end of March 1997. This is a much faster initial pace than that of Sony or Sega. The strong early performance is a testament to the Nintendo 64, which can display dazzling three-dimensional images using technology supplied by Silicon Graphics Inc., the American work-station manufacturer. The Nintendo 64 handles 64 bits of information at a time, making it more powerful than the 32-bit Sony and Sega machines.

Nintendo "basically made the industry sit up and take notice," said Lee Isgur, an analyst at Jefferies & Co. in San Francisco.

The sales are being buoyed by just one game, Super Mario 64, which perhaps exemplifies what Mr. Yamauchi means by creating new experiences. Super Mario 64 is drawing rave reviews for its ability to let the mustachioed plumber with the red cap run in three dimensions, into and out of the screen as well as across it. Some American game magazines say it is the best video game ever.

But there is a limit to how much one plumber can do, and it remains to be seen whether Nintendo can keep supplying such good software.

It would be foolish to write off Mr. Yamauchi, however.

"He's a tough old bird," Howard Lincoln, the chairman of Nintendo of America, said. He said his boss "doesn't think about anything except Nintendo."

Mr. Yamauchi has no hobbies except the Japanese board game Go, which he plays at the master's level. His one sign of wealth — his 11 percent stake in Nintendo is worth about $1 billion — is at his centuries-old family house and garden on a narrow street behind a temple in Kyoto. The estate is surrounded by a wall topped with bamboo staves, barbed wire and iron spikes.

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(Continued)

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THE WORLD'S DAILY NEWSPAPER

WORLD ROUNDUP



Rebecca Naden/The Associated Press

England's Nasser Hussain after he was hit on the arm.

England Collapses

CRICKET Mushtaq Ahmed and Wasim Akram hustled Pakistan to victory over England at The Oval on Monday. The home side was bowled out for 242, leaving Pakistan to score just 48 runs to complete a nine-wicket victory. Mushtaq took six wickets for 78 runs. Wasim took three for 67 and become the 11th bowler to take 300 test wickets. Pakistan won the series 2-0. *(Reuters)*

Popov Is Stable

SWIMMING Alexander Popov, who won two gold medals in Atlanta, was in stable condition Monday in a Kremlin hospital after being stabbed in a street fight.

"Of course, he'll be swimming again, why not?" said Zinaida Avilova, a doctor at the elite Central Clinical Hospital.

Popov was injured Saturday in a fight with watermelon vendors. Investigators said the fight was apparently started by Popov's friends.

"Popov was simply caught in the middle of the fight, and one of the vendors stabbed him with a knife," said an investigator, Vasily Frolov.

He said police arrested one of the vendors and identified the man who stabbed Popov. He is being sought.

Rocket Hits Charlotte

FOOTBALL The Carolina Panthers picked up wide receiver Rocket Ismail from the Oakland Raiders on Sunday for an undisclosed future draft pick. *(AP)*

Huber and Maleeva Ousted From Open

Compiled by Our Staff From Dispatches

NEW YORK — South African Amanda Coetzer shocked sixth-seeded Anke Huber as the U.S. Open, embroiled in controversy, began its two-week run on the hardcourts of the National Tennis Center.

Huber was the second seeded player to tumble from the women's singles draw. No. 12 Magdalena Maleeva, the youngest of three tennis-playing sisters from Bulgaria, fell to qualifier Alexandra Olsze of Poland 6-4, 6-2.

Coetzer, who was seeded here in 1994 when she reached the quarterfinals, defeated her German opponent 6-1, 2-6, 6-2.

Other seeded players playing opening matches had no such problems.

No. 13 Brenda Schultz-McCarthy of the Netherlands overpowered Japan's Nana Miyagi 6-1, 6-4 and No. 16 Martina Hingis of Switzerland, playing on Stadium Court, demolished Spain's Angeles Montolio 6-1, 6-0.

MaliVai Washington had to battle through the heat and a hot opponent before winning his first-round match, stopping Karim Alami of Morocco 6-4, 2-6, 7-6 (7-5), 6-1. It took the 11th seed 2½ hours on Stadium Court to advance to the second round.

Michael Stich, runner-up here two years ago but unseeded this year, defeated fellow German Tommy Haas 6-3, 1-6, 6-1, 7-5; Sweden's Kenneth Carlsen downed Patrick Rafter of Australia 7-6 (9-7), 6-3, 7-6 (8-6); Spain's Sergi Bruguera stopped Kris Goossens of Belgium 6-2, 6-0, 7-6 (7-1); and Carlos Moya of Spain ousted Scott Humphries of Tampa, Florida, 6-1, 6-7 (3-7), 6-7 (1-7), 6-0, 6-4.

Jeff Tarango of Manhattan Beach, California, advanced when Romanian Alex Radulescu retired with heat exhaustion while trailing 6-7 (5-7), 6-4, 6-1, 3-1.

Even before the first jetliner from nearby LaGuardia Airport roared overhead at the National Tennis Center, the U.S. Open was in an uproar.

The hosts — also known as the U.S. Tennis Association — have offended the guests — also known as the players, particularly the male contingent — by monkeying around with the seedings where they once seemed content to monkey around only with the schedule.

There have been accusations of prejudice, of disrespect, of cloakroom politics in which network television held trump cards featuring Andre Agassi's oh-so-advertisable face.

There have already been two men's draws because the first one smacked of skulduggery and was done backward; first the Open officials made the draw and then they plugged in their seedings. On threat of subversive action by the men's ATP Tour, it had to be fixed. Or unfixed, as the case appeared to be.

There have been promotions and demotions among the 16 male seedings that flew in the face of the rankings the players had labored to build over the past 52 weeks.

There has been one defection, by the French Open champion Yevgeni Kafelnikov, whose nose was put so far out of joint by the Open's decision to drop him three spots to the No. 7 seeding that he flew home to Russia.

Kafelnikov's decision to snub the Open in retaliation for its snub of him has cost the player what small chance he had of becoming No. 1 this year. It cost the Open — which already lost the Australian Open champion Boris Becker to injury — the presence of yet another 1996 Grand Slam champion with the talent to be a genuine contender for the title.

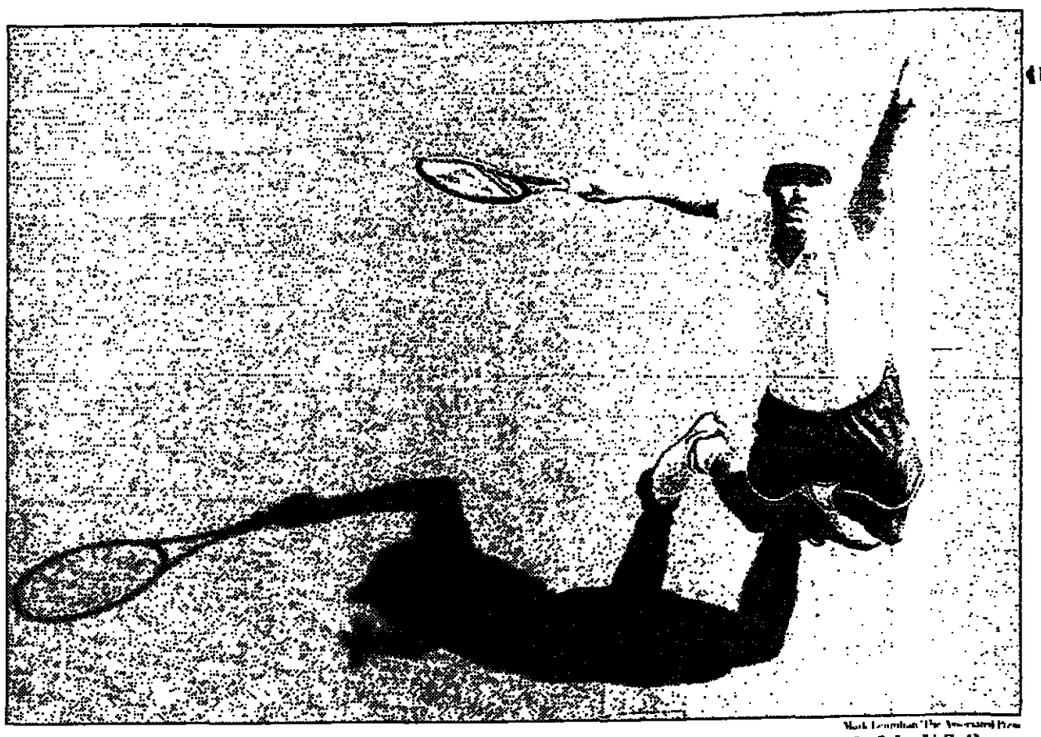
There remains the hint of insurrection from those members of the tennis assembly line who haven't been treated like VIPs, a list that now includes everyone except Agassi and Michael Chang. On Sunday the ATP Tour held a news conference to make it clear that the bulk of its membership was playing the Open "under protest" — though the consequences of that decision were not clear.

The women weren't included in the controversy, but Lindsay Davenport was aghast to learn that the USTA had tried to do for her what it did for Agassi — manipulate a ranking of eighth in the world into a seeding of sixth by these newfangled Open standards.

Horrified by the hard feelings raised by the seeding changes on the men's side, Davenport, the Olympic gold-medal winner, was overcome with relief that the Open's attempt to single her out for special consideration, like some teacher's pet, didn't reach fruition.

"I would have died if they'd done that to me," said Davenport, who prefers to get the upper hand on the competition by fairer methods.

(AP, NYT)



Mark Lennihan/The Associated Press

Michael Stich of Germany serving to countryman Tommy Haas on Monday in the first round of the U.S. Open.

Fiorentina Triumphs Over Milan, 2-1

Compiled by Our Staff From Dispatches

Argentine striker Gabriel Batistuta scored twice Sunday to give Fiorentina, the Italian cup winner, a 2-1 Supercup victory over Milan, the serie A champion. It was the first time since the pre-season trophy between Italy's cup winners and league champions was started in 1988 that the cup winners won.

Batistuta gave Fiorentina the lead in the 11th minute. He chipped the ball over veteran defender Franco Baresi and scored at the near post.

Montenegrin midfielder Dejan Savicevic equalized in the 21st minute, weaving past a defender, checking and firing in a left-footed shot.

In the 83d minute, Marcel Desailly fouled Batistuta who rammed home the free kick from 30 meters.

SPAIN Brazilian signings Ronaldo and Giovanni scored three goals between them to lead Barcelona to a 5-2 victory over league champion Atletico de Madrid in the first leg of the Spanish Supercup.

In the fifth minute, Ronaldo took the ball past three players and scored. Giovanni headed Barcelona's second in the 31st minute.

Six minutes later, Atletico's Argentine center-forward Juan Esnaider

SOCCER ROUNDUP

scored with a diving header. In the 58th minute, Milinko Pantic netted a penalty to make the score 2-2.

But substitutes Juan Antonio Pizzi and Ivan de La Pena scored in the 73d and 75th minutes, and in the 90th minute, Giovanni dribbled past six Atletico players and passed to Ronaldo, who rolled in the fifth goal.

PORTUGAL After 86 minutes of the new Portuguese season, Porto, the reigning champion, trailed promoted Setubal 2-0 at home. Then Mario Jardel scored after a string of missed opportunities, including a penalty by Domingos Oliveira. Domingos redeemed himself with the equalizer in injury time.

ARGENTINA One week after Velez Sarsfield won the second half of the 1995-1996 championship, the first half of the Argentine 1996-1997 season kicked off.

Independiente, playing its first match under veteran coach Cesar Luis Menotti, began the apertura championship with a 3-0 victory at Ferro Carril Oeste.

Velez, who won both the apertura and the clausura halves of the 1995-6 championship to become the first team to complete the double, beat Newell's Old Boys 2-0 away.

BRAZIL Two key players left a championship match early Sunday to fly to Russia. Sao Paulo midfielder Andre and Santos defender Narciso were substituted during their teams' game, taken to Sao Paulo airport and flown to Rio de Janeiro in a chartered jet.

At Rio, they joined the national team for the flight to Moscow, where Brazil plays Russia in a friendly on Wednesday. The Sao Paulo-Santos game was put back three hours after it was picked as the day's televised live match.

Narciso's replacement Jean gave away a penalty from which Sao Paulo scored the decisive goal in a 2-1 victory. *(Reuters, AP)*

AP

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SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

EAST DIVISION

	W	L	Pct.	GB
New York	74	55	.574	—
Baltimore	68	61	.527	6
Boston	66	65	.504	9
Toronto	61	70	.466	14
Detroit	47	83	.362	27½

CENTRAL DIVISION

	W	L	Pct.	GB
Cleveland	77	53	.592	—
Chicago	70	62	.530	8
Minnesota	65	65	.500	12
Milwaukee	62	69	.473	15½
Kansas City	59	73	.447	19

WEST DIVISION

	W	L	Pct.	GB
Texas	75	56	.573	—
Seattle	66	63	.512	8
Oakland	63	70	.474	13
California	61	69	.469	13½

NATIONAL LEAGUE

EAST DIVISION

	W	L	Pct.	GB
Atlanta	81	48	.628	—
Montreal	70	59	.543	11
Florida	61	70	.466	21
New York	59	72	.450	23
Philadelphia	53	78	.405	29

CENTRAL DIVISION

	W	L	Pct.	GB
Houston	70	61	.534	—
St. Louis	68	62	.523	1½
Chicago	64	64	.500	4½
Cincinnati	64	65	.496	5
Pittsburgh	55	75	.423	14½

WEST DIVISION

	W	L	Pct.	GB
San Diego	72	60	.545	—
Los Angeles	70	60	.538	1
Colorado	68	63	.519	3½
San Francisco	55	73	.430	15

SUNDAY'S LINE SCORES

AMERICAN LEAGUE

Seattle	000	000	140	—5	9	0
Boston	100	502	00x	—8	14	0

M.Wagner, Carmona (4), Charlton (8) and Wilson; M.Maddux, Hudson (8), Gunderson (8), Brandenburg (8), and Slocumb (9) and Stanley. W—M. Maddux, 2-1. L—M. Wagner, 3-5. Sv—Slocumb (23). HRs—Seattle, A.Rodriguez (22), Griffey Jr (40), Whiten (3). Boston, Frye (4), O'Leary (14).

Milwaukee	021	020	000	—5	7	1
Cleveland	001	002	50x	—8	11	0

D'amico, Fiorle (6), Miranda (7), D. Jones (7) and Levis; J.McDowell, Mercker (7), Shuey (7), Mesa (9) and S. Alomar. W—Shuey, 4-2. L—Miranda, 7-4. Sv—Mesa (31). HRs—Milwaukee, Seltzer (12).

California	011	720	200	—13	18	0
Baltimore	000	000	000	—0	5	1

D.Springer and Fabregas, Erickson, Yan (4), N. Rodriguez (5), Mlicnin (8), Corbin (9) and Hollies. W— D. Springer, 4-2. L— Erickson, 8-11. HRs— California, Velarde (10), Salmon (28).

Texas	700	032	001	—13	14	1
Minnesota	100	000	010	—2	7	1

B.Witt, Ke.Gross (9) and Valle; Miller, Parra (5), Stevens (6) and G. Myers. W— B. Witt, 13-9. L— Miller, 0-1. HRs— Texas, Greer (17), J.Gonzalez (38), W. Clark (9), Elster (22), Valle (2).

Oakland	010	003	002	—6	10	0
New York	101	100	010	—4	10	0

Adams, Mohler (7), Acre (9) and Molina; Pettitte, J. Nelson (8), Polley (9), Powles (9) and Leyritz, Girardi (8). W— Mohler, 5-2. L— J. Nelson, 4-4. Sv— Acre (2). HRs— Oakland, McGwire (44), Stairs (7). New York, Strawberry (9), T. Martinez (28).

Detroit	001	300	102	—7	12	0
Kansas City	000	120	100	—4	11	2

Van Poppel, Eischen (7), Lima (8), M. Myers (8) and Nevin, Ausmus (9); Linton, Magnante (6), Hulsman (7), Pichardo (9) and Mackanin. W— Van Poppel, 2-6. L— Linton, 5-9. Sv— M. Myers (6). HRs— Detroit, Pride (6), Fryman (19). Kansas City, Lockhart (5).

Toronto	022	021	110	6—9	16	0
Chicago	521	000	001	1—10	16	2

(10 innings)

Flener, Risley (3), Quantrill (6), Timlin (9) and O'Brien; Tapani, Levine (6), Castillo (6), R. Hernandez (8) and Karkovice. Borders (9). W— R. Hernandez, 5-1. L— Timlin, 1-5. HRs— Toronto, Olerud (18), A. Gonzalez (11). Chicago, Tartabull (19).

NATIONAL LEAGUE

Chicago	000	000	201	—3	11	0
Atlanta	000	010	100	—2	7	1

Foster, B. Patterson (9), Wendell (9) and Servais, Houston (9). Glavine, McMichael (8), Wohlers (9) and Lopez. W— Foster, 5-2. L— Wohlers, 1-3. Sv— Wendell (14).

Pittsburgh	510	100	011	—9	15	4
Colorado	201	307	23x	—13	13	0

Micell, M. Wilkins (5), Plesac (7), Ericks (8) and Osik; J.Wright, M. Munoz (5), Leskanic (8), B. Ruffin (9) and Je.Reed. W—M. Munoz, 2-2. L—M. Wilkins, 3-1. HR—Pittsburgh, King (26), J. Bell (8). Colorado, Burks (36), L. Walker (18).

New York	004	000	010	—5	6	1
Los Angeles	000	300	12x	—6	8	0

Harnisch, D. Henry (8), Franco (8) and Hundley; I.Valdes, Radinsky (8), Td.Worrell (9) and Prince, Piazza (9). W—Radinsky, 2-1. L—Franco, 3-3. Sv—Td.Worrell (35). HRs—New York, Gilkey (28). Los Angeles, Karros (28), Mondesi (20).

Montreal	010	001	000	—2	7	2
San Francisco	202	003	00x	—7	8	1

Cormier, Manuel (4), Paniagua (5), Dyer (6), Urbina (7), Juden (8) and D. Fletcher; Fernandez and Lampkin. R, Wilkins (3). W— Fernandez, 6-13. L— Cormier, 7-10. HRs— Montreal, H. Rodriguez (33). San Francisco, Hubbard (2).

Philadelphia	010	010	000	—2	12	1
San Diego	321	010	40x	—11	17	0

West, L. Mitchell (2), Borland (6), R. Jordan (7), Parrett (8) and Bennett; S.Sanders, Blair (6), D. Veres (7), Oquist (8), Bergman (9) and Flaherty. W— S. Sanders, 7-4. L— West, 1-2.

Cincinnati	004	010	000	—5	12	1
Florida	200	002	011	—4	7	1

Remlinger, Carrasco (6), Shaw (8), L. Smith (9), J. Brantley (9) and J. Oliver; Miller, Y. Perez (4), Hammond (6), Powell (8), Nen (9) and Natal. W—Nen, 5-1. L—L. Smith, 3-3. HRs—Cincinnati, W. Greene (9). Florida, Colbrunn (12), Conine (22).

St. Louis	000	001	000	—1	3	1
Houston	201	000	01x	—4	8	2

Al.Benes, Bailey (7), Petkovsek (8) and Pagnozzi; Wall, X.Hernandez (8) and Manwaring. W— Wall, 8-4. L— Al.Benes, 11-8. Sv— X. Hernandez (4). HR— Houston, Bagwell (28).

FOOTBALL

The AP Top 25

The Top Twenty Five teams in The Associated Press college football poll, with first-place votes in parentheses, records through Aug. 25, total points based on 25 points for a first-place vote through one point for a 25th-place vote, and last week's ranking:

	Record	Pts	Pvs
1. Nebraska (50)	0-0-0	1,646	1
2. Tennessee (8)	0-0-0	1,555	2
3. Florida St. (5)	0-0-0	1,530	3
4. Florida	0-0-0	1,485	4
5. Colorado (3)	0-0-0	1,402	5
6. Notre Dame (1)	0-0-0	1,302	6
7. Penn St.	1-0-0	1,247	11
8. Texas	0-0-0	1,079	8
9. Ohio St.	0-0-0	1,059	9
10. Syracuse	0-0-0	1,050	10
11. Miami	0-0-0	881	12
12. Michigan	0-0-0	805	14
13. Alabama	0-0-0	669	15
14. Virginia Tech	0-0-0	610	16
15. Northwestern	0-0-0	583	18
16. Auburn	0-0-0	552	17
17. Southern Cal	0-1-0	549	7
18. LSU	0-0-0	519	19
19. Brigham Young	1-0-0	497	—
20. Arizona St.	0-0-0	432	20
21. Kansas St.	0-0-0	389	21
22. Iowa	0-0-0	338	22
23. Texas A&M	0-1-0	296	13
24. Virginia	0-0-0	257	23
25. Kansas	0-0-0	207	24

Others receiving votes: Washington 155, Clemson 145, Oregon 142, Texas Tech 84, Utah 70, Georgia 60, East Carolina 50, North Carolina 24, San Diego St. 22, Arizona 18, Wisconsin 17, Stanford 12, Wyoming 5, UCLA 4, Colorado St. 3, Michigan St. 2, Toledo 2, Georgia Tech 1.

Major College Score

KICKOFF CLASSIC

Penn State 24, Southern California 7

IHT Puts Baseball Stats on the Internet

All the box scores and the 1996 schedule on the IHT web site:
http://www.iht.com/IHT/SPORTS/bbl.html

SOCCER

MAJOR LEAGUE SOCCER

D.C. 3, Tampa Bay 0
San Jose 1, Colorado 0
Dallas 3, Los Angeles 2

STANDINGS: Eastern Conference— x-Tampa Bay 42; D.C. 37; NY-NJ 30; New England 27; Columbus 25. Western Conference— Dallas 40, Kansas City 40; Los Angeles 39; San Jose 35; Colorado 28.
(x-clinched playoff spot).

AFRICAN NATIONS CUP

PRELIMINARY ROUND, SECOND LEG

Namibia 6, Botswana 0
(Namibia won 6-0 on aggregate).
Seychelles 1 Mauritius 1
(Mauritius won 2-1 on aggregate).
Togo 1, Congo 0
(Togo won 1-0 on aggregate).

INTERNATIONAL EXHIBITIONS

Costa Rica 1, Chile 1
Honduras 4, Cuba 0

GOLF

Greater Vancouver Open

Leading final scores and money won Sunday in the $1 million Greater Vancouver Open, played at the 6,817-yard, par-71 Northview Golf and Country Club in Surrey, British Columbia:

Guy Boros, $180,000	71-65-65-71—272
E. Aubrey, $74,667	68-68-70-67—273
Lee Janzen, $74,667	71-65-66-71—273
Taylor Smith, $74,667	71-65-65-72—273
S. Bertsch, $33,900	70-71-68-66—275
Kenny Perry, $33,900	70-70-68-67—275
Joey Gullion, $33,900	71-69-67-68—275
Russ Cochran, $33,900	72-67-67-69—275
Mike Weir, $33,900	72-68-65-70—275
Tom Byrum, $24,000	72-71-69-64—276

World Series of Golf

Leading final scores and money winnings Sunday of the $2.1 million NEC World Series of Golf on the 7,148-yard, par-70 South Course at the Firestone Country Club in Akron, Ohio:

P. Mickelson, $378,000	70-66-68-70—274
D. Waldorf, $156,800	70-70-71-66—277
S. Stricker, $156,800	68-72-69-68—277
Billy Mayfair, $156,800	66-71-70-70—277
Greg Norman, $84,000	70-68-69-71—278
A. Cejka, $72,975	72-71-71-66—280
Davis Love III, $72,975	70-74-67-69—280
John Cook, $65,100	70-69-71-71—281
Corey Pavin, $60,900	73-70-70-69—282
Tom Lehman, $50,400	72-69-74-68—283

CRICKET

THIRD TEST

ENGLAND VS. PAKISTAN, FIFTH DAY

MONDAY, IN LONDON

England 1st innings: 326
Pakistan 1st innings: 521-8 dec.
England 2d innings: 242
Pakistan 2d innings: 48-1
Result: Pakistan won by 9 wickets to win series 2-0.

SINGER WORLD SERIES

AUSTRALIA VS. ZIMBABWE

MONDAY, IN COLOMBO

Australia innings: 263-7 (50 overs)
Zimbabwe innings: 138 (41 overs, all out).
Result: Australia won by 125 runs.

RUGBY

EUROPEAN SUPER LEAGUE

SUNDAY'S RESULTS

Halifax 64, Leeds 24
London 56, Castleford 0

MONDAY'S RESULT

St Helens 66, Warrington 14
(St. Helens wins league championship).

FINAL STANDINGS: St Helens 40; Wigan 39; Bradford 34; London 25; Warrington 24; Halifax 21; Sheffield 20; Oldham 19; Castleford 18; Leeds 12; Paris 7; Workington 5.

TENNIS

U.S. Open

FIRST ROUND RESULTS

MEN' SINGLES

Sergi Bruguera, Spain, def. Kris Goossens, Belgium, 6-2, 6-0, 7-6 (7-1); Michael Stich, Germany, def. Tommy Haas, Germany, 6-3, 1-6, 6-1, 7-5; Frederic Vitoux, France, def. Roman Delgado, Paraguay, 6-4, 6-4, 7-6 (7-3); Carlos Moya, Spain, def. Scott Humphries, U.S., 6-1, 6-7 (3-7), 6-7 (1-7), 6-0, 6-4.

Kenneth Carlsen, Denmark, def. Patrick Rafter, Australia, 7-6 (9-7), 6-3, 7-6 (8-6); Magnus Gustafsson, Sweden, def. Carlos Costa, Spain, 7-5, 1-6, 7-6 (7-4), 6-3; Jeff Tarango, U.S., def. Alex Radulescu, Romania, 6-7 (5-7), 6-4, 6-1, ret., heat exhaustion.

WOMEN'S SINGLES

Martina Hingis (16), Switzerland, def. Angeles Montolio, Spain, 6-1, 6-0; Brenda Schultz-McCarthy (13), Netherlands, def. Nana Miyagi, Japan, 6-1, 6-4; Anne-Gaelle Sidot, France, def. Janette Husarova, Slovakia, 6-4, 6-4; Aleksandra Olsza, Poland, def. Maggie Maleeva (12), Bulgaria, 6-4, 6-2; Asa Carlsson, Sweden, def. Gloria Pizzichini, Italy, 3-6, 6-1, 7-5.

Cristina Torrens-Valero, Spain, def. Sabine Hack, Germany, 7-6, 6-4, 6-2; Henrieta Nagyova, Slovakia, def. Gala Leon Garcia, Spain, 6-1, 4-6, 6-3; Barbara Schett, Austria, def. Sabine Appelmans, Belgium, 1-6, 6-4, 6-4; Helena Sukova, Czech Republic, def. Yone Kamio, Japan, 6-2, 6-2; Irina Spirlea, Romania, def. Petra Begerow, Germany, 6-3, 6-2; Maria Jose Gaidano, Argentina, def. Melanie Schnell, Austria, 6-4, 6-0.

TRANSITIONS

BASEBALL

AMERICAN LEAGUE

BALTIMORE—Sent C Gregg Zaun to Florida to complete Aug. 21 trade for RHP Terry Mathews.

BOSTON—Optioned RHP Joe Hudson to Pawtucket, IL. Put RHP Rich Garces on 15-day disabled list. Recalled LHP Eric Gunderson, PHP Joe Hudson from Pawtucket.

MILWAUKEE—Traded LHP Graeme Lloyd and OF Pat Listach to N.Y. Yankees for OF Gerald Williams and RHP Bob Wickman.

NEW YORK—Released RHP Kent Wallace. Put 2B Pat Kelly on 15-day disabled list.

OAKLAND—Recalled OF Brian Lesher from Edmonton, PCL. Outrighted RHP Paul Fletcher to Edmonton.

TORONTO—Signed RHP Billy Koch.

NATIONAL LEAGUE

ATLANTA—Put LHP Pedro Borbon on 15-day disabled list.

COLORADO—Released RHP Marvin Freeman.

FLORIDA—Assigned RHP Pat Rapp to Charlotte, IL. Recalled RHP Kurt Miller and LHP Yorkis Perez from Charlotte. Optioned C Joe Siddall to Charlotte. Acquired C Greg Zaun from Baltimore to complete Aug. 21 trade.

HOUSTON—Put LHP Billy Wagner on 15-day disabled list. Recalled RHP John Hudek from Tucson, PCL.

MONTREAL—Announced OF Moises Alou has withdrawn his appeal of 4-game suspension for his actions in game against Houston on Aug. 12.

PHILADELPHIA—Put C Mike Lieberthal on 60-day disabled list. Bought contract of C Gary Bennett from Scranton-Wilkes-Barre, IL.

SAN DIEGO—Optioned LHP Dustin Hermanson to Las Vegas, PCL. Bought RHP Mike Oquist from Las Vegas.

SAN FRANCISCO—Activated RHP Rich DeLucia from 15-day disabled list. Designated infielder Kim Batiste for assignment. Put C Tom Lampkin on 15-day disabled list. Bought contract of C Doug Mirabelli from Shreveport, TL.

BASKETBALL

NATIONAL BASKETBALL ASSOCIATION

DALLAS—Agreed to terms with F Samaki Walker on 3-year contract.

HOCKEY

NATIONAL HOCKEY LEAGUE

BOSTON—Signed G Tim Cheveldae to 1-year contract.

LOS ANGELES—Acquired LW Petr Nedved from Tampa Bay for a 1997 conditional draft choice.

NEW JERSEY—Traded RW Stephane Richer to Montreal for D Lyle Odelein.

N.Y. RANGERS—Traded D Marty McSorley to San Jose for D Jayson More, C Brian Swanson and a 1998 4th round draft pick.

SAN JOSE—Re-signed D Jayson More. Signed LW Tony Granato to 1-year contract. Traded RW Sergei Gorbachev to Dallas for 1997 5th round draft pick. Named Roy Sommer assistant coach.

VANCOUVER—Agreed to terms with C Russ Courtnall, F Markus Naslund, C Mike Sillinger and D Jassen Cullimore.

WASHINGTON—Signed G Sebastien Charpentier and F Jaroslav Svejkovsky to 3-year contract. Signed G Robb Stauber.

COLLEGE

NCAA—Suspended RB George Jones, WR Will Blackwell and CB Ricky Parker of San Diego State one game each for violating NCAA rules related to extra benefits. Declared Arizona freshman basketball F Stephon Jackson ineligible for upcoming season.

هكذا من الأصل

هكذا من الأهل

SPORTS

Stunning Comeback Gives Woods the Title

By Larry Dorman
New York Times Service

CORNELIUS, Oregon — Tiger Woods, 20, fought back from five holes down Sunday to take a place in history.

He won an unprecedented third consecutive U.S. Amateur Championship by refusing to yield and beat Steve Scott on the 38th hole of their matchplay final at Pumpkin Ridge Golf Club.

As Woods putted out for a par and the victory on the second extra hole, his putter fell from his hands, and he raised his arms over his head. The gesture was born of relief, satisfaction and near disbelief.

Three years ago, Woods became the first black man to win the U.S. Amateur. Before that, he was the first player to win three U.S. Junior Amateurs and the first to win both the Amateur and the Junior. Now he is the first to win three straight Amateur Championships.

Move over, Bob Jones. Woods' record of 18 straight match victories in the Amateur moves him to 20-2, a better winning percentage than Jones' career record of 43-8.

Scott shot the equivalent of a round of 68 in the morning round, birdied two of the last four holes to put Woods holes down. Later, he had Woods two down with three holes to play.

"Against Tiger Woods, no lead is safe," said Scott, a University of Florida sophomore. "This was an unbelievable experience. It was probably the best amateur match ever. There was no loser. I never thought I'd get this far, especially against Tiger, and I had my shot. I just came up short."

But not by much. Scott had the upper hand for most of the day, from the third hole of the morning match until Woods finally squared the match with a stunning 30-foot birdie at the 35th hole.

When Woods walked quickly from the 18th green after the morning match, his head was down for the first time all week. This was supposed to be his golf course, a layout with five par-5 holes, all of them reachable. Yet through the morning round with Scott — during which he was 0-4-1 on the par 5's — he had won just seven of 25 par-5 holes.

His rhythm had been off all morning, too, the same sweet tempo that had brought him this far, that had him 23 under through 118 holes, suddenly gone awry.

"Left, right, left, right," he muttered to himself on the 16th tee, shaking his head after pulling his tee shot into the left rough.

That is the worst sort of uncertainty for a golfer, when he isn't sure which direction the misses are heading.

Scott was at even par for the six days of golf coming into Sunday morning, but he went out and shot four-under par, and he did it quickly, unhesitatingly.

After working on some swing flaws with his coach, Butch Harmon, Woods went to the first tee in the afternoon feeling very different. He was back in sync, and he knew it.

"I felt very confident," he said, "because I've been there before. I knew what I had to do."

Two years ago, when he won his first U.S. Amateur by beating Trip Kuehne, he was six down after 13 holes; he was four down during the lunch break; he was two up when it was all over. Drawing on that, and on his uncanny ability to play his best when the most is on the line, Woods went to work.

He birdied the third hole, hitting it in from three and a half feet. He birdied the fourth hole, covering the flag stick with a 9-iron from 148 yards. When Scott bogeyed the fifth hole, Woods was just two down and the sense that his confidence was growing was palpable. At the ninth hole, a 463-yard par 4, Woods cut the deficit to one up with a 12-footer that was on line all the way.

Everything was rolling along the way he had come to expect. He shot an eagle on the 11th, birdied the 16th and rolled in the 30-footer to square the match at the 17th hole. He nearly ended the match with a birdie in regulation, just sliding his 12-footer past on the left.

After both players missed makable chances on the first playoff hole, the ninth, the 10th tee was so quiet you could hear a jaw drop, and there were plenty that did when Woods' 6-iron shot covered the flag.

When Scott missed the green to the right, and it was all over.



Jack Smith/The Associated Press

Tiger Woods celebrating after tying the Amateur Championship on the 35th hole.

■ Mickelson Wins

Phil Mickelson birdied two of the last three holes Sunday to win World Series of Golf by three strokes over Billy Mayfair, Reuters reported from Akron, Ohio. Mickelson and Mayfair had been tied for the lead with three holes to play.

The $378,000 first-place check brings Mickelson to the top of the money list with $1,574,799 won this year.

College Athletes Get the Short End

By William C. Rhoden
New York Times Service

EAST RUTHERFORD, New Jersey — Last year around this time, Keyshawn Johnson was catching passes for the University of Southern California.

On Sunday afternoon, the New York Jets' rookie receiver was in leisure dress on the Trojan sideline in the Kickoff Classic against Penn State: Hawaiian shirt, white shorts, cool shades — mingling with his old teammates in his new football home.

He chatted with alumni, posed for photos. As the game got out of reach for USC, Johnson, the first pick in this year's NFL draft, tried to soothe bruised pride, wounded egos. He cheered when the Trojan defense scored with 29 seconds left to avert a shutout.

Seven months ago, Johnson caught his final pass for USC in the Rose Bowl. Earlier this month he received his first paycheck — for a contract in the millions — as a professional football player.

"To me, the NFL is not as much fun as college," Johnson said. "In college, you're working so hard at so many different things: you're working hard to win, you're working hard to get to the next level. In the NFL, you're just working hard to win. You have to find ways to motivate yourself a lot more."

At the same time, Johnson said that when he compares the professional atmosphere, where everyone gets a slice of the financial action, to college, where athletes are cut out of the action, the pomp seems hollow. Absurd, even.

"Of course, the players should get paid — or something," he said. "You can't make it on $5 or whatever it is you get. I got $600 a month at USC. I had to stay at my girlfriend's apartment, I had to always borrow money."

Johnson is not a fan of the NCAA. He threatened to sue the NCAA when it investigated a tip that he accepted money — a whopping sum of $1,500 — from an agent in junior college. Johnson said he received the money from a friend and that the friend had no interest in being an agent.

The NCAA never ruled on the case, never issued an apology or an indictment.

"Money, money, money: that's their biggest issue," he said. "You got a bunch of old guys sitting there with cigars who don't know what to do but give people problems. No matter who — size, weight, color, speed, nothing. They don't care."

College players, streetwise and keyed into money, see clearly that they are being bamboozled.

Coaches protest: "But they get a free education."

As they do at Rutgers. A report found that of 28 players recruited by the head basketball coach over an 8-year period, 7 graduated. Of the 19 black players recruited, 2 graduated.

The coach's response: "I can't make them graduate."

But he can make them practice. He can inspire them to play.

So, the charade continues.

On Sunday, it continued in front of a Kickoff Classic record 77, 716 fans. Last January it was before 100,102 fans at the Rose Bowl.

The NCAA members are in a squeeze, too. They have to make the mice run faster and harder. The NCAA signed a sweetheart of a deal with CBS several years ago for college basketball. Since then, the level of play has declined as the best young college talent has flocked to the pros.

HIGH SCHOOL players who don't want to fool with the NCAA's silly propositions and red tape skip college altogether. Come contract time, the network will not give up the same hefty dollars. The football players have to tote that barge, lift more bales.

A lucrative all-inclusive national championship playoff system is on the horizon. And look for the old men with cigars to make it easier for the best athletes to get into college and stay.

No more polls to determine champions, no more make believe. It's coming, and not because of honor and glory.

"They come here to give these institutions all this money," Johnson said of college athletes. "The institutions wouldn't make money if it wasn't for athletes. They pack in 80,000 weekly and you got somebody on the other side who's probably never played football before who is going to determine your future? It shouldn't go like that."

But it does. And it will. Because the NCAA's perennial motto is, Where there's a bill, there's a way.

■ Penn State Beats USC

Penn State beat Southern California 24-7, Sunday, as Curtis Enis, a sophomore running back, ran for a Kickoff Classic-record 241 yards and three touchdowns, powering over, through and around a veteran Trojan defense.

His 241 yards were the most allowed by Southern California in its history and the fourth-highest by a Penn State rusher.

Penn State out-gained the young USC offense, 462 yards to 282.

A Trojan touchdown on a recovered fumble with 29 seconds to play allowed USC to avert the first shutout in John Robinson's 121 games as head coach.

Pirates Learn That No Lead Is Big Enough in Coors Field

The Associated Press

Pittsburgh is the latest team to be reminded of the Coors Field edict: You can't score enough runs.

The Pirates scored five runs in the top of the first inning Sunday but then watched their lead slowly slip away as the Colorado Rockies rallied for a 13-9 win.

Vinny Castilla homered twice and drove in four runs for the Rockies.

"We always score runs at Coors Field, and it doesn't matter what the situation is," Castilla said. "We had a deficit, but came back and scored runs."

Jeff King hit a two-run double — one of his career-high five hits — to help Pittsburgh take a 5-0 lead, but he knew all along that the Pirates would need more runs.

"You can't feel good in this ballpark until the final out," King said.

He was right. Larry Walker hit his 18th homer and also drove in four runs, and Ellis Burks hit his 36th homer and drove in three runs for Colorado.

Nelson Liriano and Jay Bell also homered for Pittsburgh. Colorado's Eric Young, the NL batting leader, had two hits, raising his average to .346.

Giants 7, Expos 2 In San Francisco, Barry Bonds's consecutive-games streak ended at 357, but substitute Trenidad Hubbard homered and tripled. Bonds had pinch-hit in the Giants' two previous games while resting his strained left hamstring. But the left fielder did not play at all Sunday, ending the longest active streak behind Cal Ripken's record string.

Henry Rodriguez hit his 33d home run for Montreal, surpassing the team record of 32 that Andre Dawson set in 1983.

Dodgers 6, Mets 5 In Los Angeles, Greg Gagne drove in the tying run and pinch-hitter Chad Curtis drew a bases-loaded walk from John Franco in the eighth as Los Angeles rallied for a three-game sweep.

Padres 11, Phillies 2 In San Diego, Steve Finley went 4-for-5 and drove in three runs as San Diego stayed alone atop the NL West.

Marlins 6, Reds 5 In Miami, rookie Edgar Renteria's two-out single in the bottom of the ninth scored Jesus Tavarez. Cincinnati's Willie Greene came off the bench to hit his second grand slam of the year.

Astros 4, Cardinals 1 In Houston, Donne Wall pitched seven strong innings, and Jeff Bagwell passed 100 RBIs as Houston opened a 1½-game lead in the NL Central.

Tigers 7, Royals 4 Todd Van Poppel won for the first time since Detroit claimed him on waivers from Oakland on Aug. 6. Van Poppel (2-6) pitched six innings as the visiting Tigers won for the fifth time in six games.

White Sox 10, Blue Jays 9, Pat Borders singled home the winning run with one out in the bottom of the 10th inning, stopping Chicago's five-game losing streak.

In games reported in some editions Monday:

Athletics 6, Yankees 4 On Mickey Mantle Day at Yankee Stadium, Mark McGwire showed the 50,808 fans how far the Hall of Famer used to hit the ball.

McGwire hit a 446-foot drive near Monument Park for his major league-leading 44th homer for Oakland. Matt Stairs broke a ninth-inning tie with his second pinch-hit home run of the season for the A's, and McGwire added an RBI single. Darryl Strawberry and Tino Martinez homered for the Yankees, who had won five in a row against the Athletics.

Before the game, Joe DiMaggio, Whitey Ford and Phil Rizzuto joined Mantle's family in a monument unveiled in his memory. Babe Ruth, Lou Gehrig and Miller Huggins are the only other Yankees so honored.

Rangers 13, Twins 2 Travis Miller barely got through the first inning in his big league debut for Minnesota, giving up seven runs to the Texas Rangers, the AL West leaders.

Miller, 23, was promoted from the minors last week. He retired Darryl Hamilton on a fly ball to begin his major league career, but then things quickly got worse. Texas tagged him for five hits, including two-run homers by Rusty Greer and David Valle, and two walks. Miller was pulled before the second inning.

Angels 13, Orioles 0 Rookie knuckleballer Dennis Springer pitched his first career shutout, and Randy Velarde hit his first grand slam for California at Camden Yards.

Baltimore, which had moved a half-game ahead of Chicago for the wild-card spot Saturday, fell a half-game behind the White Sox.

Red Sox 8, Mariners 5 Boston moved over .500 for the first time this season, winning for the 19th time in 25 games. Ken Griffey hit his 40th home run in the eighth inning after Alex Rodriguez had hit his 32d. It was the 18th time the Mariners have connected for consecutive home runs this season — a major league record.

Indians 8, Brewers 5 Albert Belle celebrated his 30th birthday with a key two-run single, spoiling Milwaukee's strategies at Jacobs Field.

The Brewers had intentionally walked Jim Thome, to load the bases and moved second baseman Fernando Vina up the middle. But Belle hit Doug Jones' first pitch to the spot vacated by Vina to highlight the Indians' five-run rally.

Cubs 3, Braves 2 In Atlanta, Brian McRae's two-out single off Mark Wohlers in the ninth scored the winning run.

Marquis Grissom's hitting streak ended at 28 games. It was the longest streak in the majors since Jerome Walton hit in 30 straight for the Cubs in 1989.

Baseball Roundup

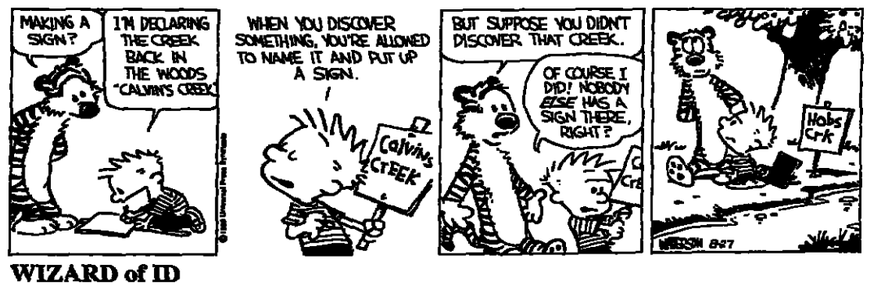
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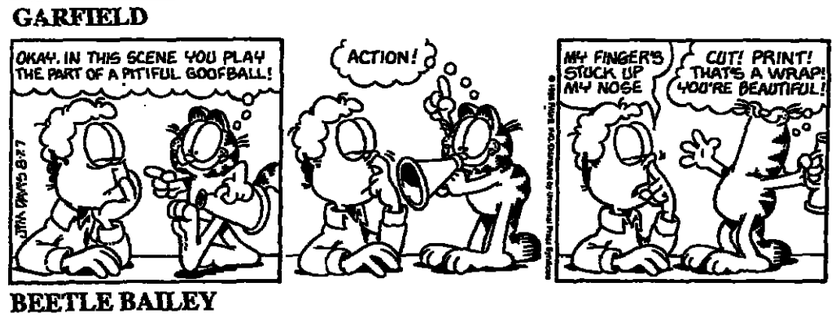
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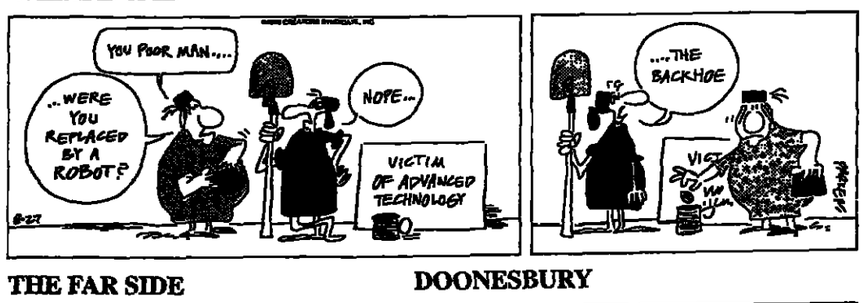
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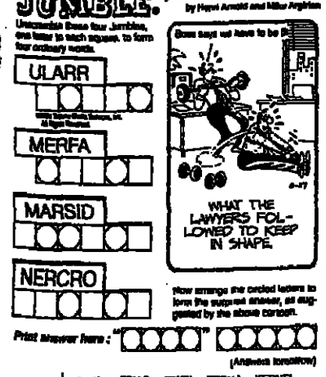
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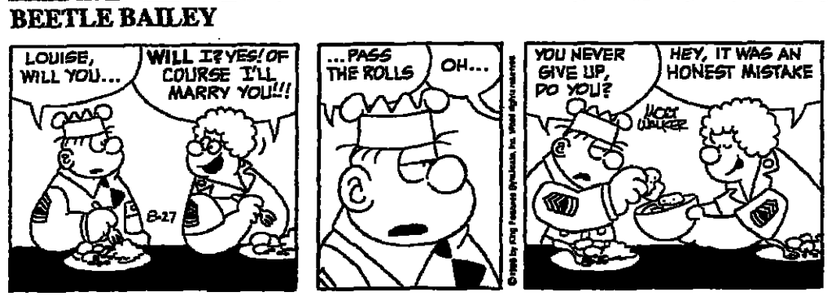
WIZARD of ID



JUMBLE.



BEETLE BAILEY



THE FAR SIDE



Brain aerobics

DOONESBURY



BLONDIE



JUMBLE. THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

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MERFA
MARSID
NERCRO

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: "" ""

(Answers tomorrow)

Yesterday's Jumbles: FRIAR JEWEL BEFALL KERNEL
Answer: Where a movie actor spends a lot of his time — IN REEL LIFE

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ART BUCHWALD

The Road to Divorce

MARTHA'S VINEYARD, Massachusetts — Most of the marital breakups on Martha's Vineyard have nothing to do with infidelity, but rather with couples trying to find a friend's house in the woods.

I witnessed the dissolution of a marriage when I was driving with the Wallgrens from Vineyard Haven to Chilmark.


Buchwald

Rob Wallgren was behind the wheel, and his wife Myra was sitting in the back seat with the map.

"Regan says that we should look for a dirt road off State Road, 1.3 miles from the lumber yard," Rob announced.

Myra said, "First look for six mailboxes in front of a white picket fence that has a sign on it saying TRESPASSERS WILL BE SHOT."

"Do I turn left or right off the dirt road?"

"You have to turn right and look for an oak tree with the names of every family in Chilmark on it and arrows pointing in all four directions. Try to find Rogner."

Rob said, "I must have missed it. We've come to a dead end."

"There are two dead ends on the map. One stops at Rich Man's Bluff and the other at the Hollow Bullet Bakery. Do you know which one this is?"

"The one that runs directly into the ocean."

"Turn around and go back 1.5 miles and then take a sharp left. We must be close to it because my finger is almost off the edge of the map."

"When I saw Rogner last week he said that it was a sharp right at the fire station."

Myra said testily, "If you know so much, why don't you read the map? I want a divorce."

"Why?"

"Because you don't trust me."

"I'm lost in some up-island Dante's Inferno. Why should I trust you?"

"This marriage hasn't worked since you drove to the Weymouths' barbecue in July."

□

Rob said, "I think we're running out of gas. Why don't we go home and watch Jack Kemp hug Senator D'Amato one more time?"

"I just don't love you any more," Myra declared.

"When did you decide that?"

"When you made the wrong turn at Sunset Fork against my specific instructions."

Rob reminded her, "This is the third time this summer that you've had the map and gotten us lost."

"Hand me the phone. I'm going to call my lawyer."

I had to intervene. "Rob and Myra — both of you are behaving like children. You're not going to find the Rogners' house by getting a divorce. Maybe a trial separation, but not a divorce."

China's Ticket to Ride

Reuters

BEIJING — China plans to auction train tickets made of gold to mark the opening Saturday of a line that eventually will link Beijing and Hong Kong, the China News Agency said Monday. Forty-two tickets weighing 3 grams (0.1 ounce) each will be auctioned in Shanghai and in Jiangxi Province.

Balthus at 88: A Reclusive Painter Speaks Out

By Michael Kimmelman
New York Times Service

ROSSINIERE, Switzerland — "I was born in this century, but I belong much more to the 19th century," says Balthasar Klossowski, known to the world as the painter Balthus.

As it happens, Balthus was born on Feb. 29, 1908. The poet Rainer Maria Rilke once told him that being born on leap day was like slipping through a crack in time; it gave Balthus access to "a kingdom independent of all the changes we undergo."

For years he has contrived to live in that kingdom, in life as in his archaizing art, divorced from his time in a realm of his own devising.

Balthus has been described as one of the greatest living realist painters, but this is not altogether adequate, quality aside, because he is a realist of a singular and highly imaginary sort.

His portraits and figure studies, painstakingly and thickly painted, have a calculated naivete and a predilection for precisely drawn yet somehow mysterious imagery, full of oddities of scale and gesture.

His landscapes are dreamy, almost fairy-tale scenes bathed in a granular light, images of time in abeyance.

There's a geometry to the art that can be described as modernist, but in every way he can, Balthus has tried to put distance between himself and the principal goings-on in art of the 20th century.

At the moment, he sits in his sprawling 18th-century chalet of pale wood and ponderous eaves, nestled in this tiny Swiss mountain village; in terms of art-world geography, in the middle of nowhere. He and his wife, Setsuko Ideta, who is also a painter, have lived here for 20 years.

Before that he lived in grand and conspicuously remote houses in France and Italy. Almost proudly he makes a point of the fact that he has never been to the United States, not even for retrospectives over the years at the Museum of Modern Art and the Metropolitan in New York.

Recently Balthus agreed to meet for a few hours. Knowing his famed reluctance to say much about himself, I have taken along a book of paintings from the Louvre. "The Louvre was the most instructive place for me," he says, "and chiefly because I looked at Poussin." At 17, Balthus copied Poussin's "Echo and Narcissus" in the Louvre, and later he adapted the figure of the reclining Narcissus in several paintings.


Henri Cartier-Bresson/Magnum Photos
Balthus has tried to distance himself from artistic goings-on of the 20th century.

"To make an art like the art of the 17th century, when Poussin was alive, is impossible today," he says, "because artists no longer know how it's done."

Balthus has got on to a favorite subject, the decline of civilization. "You know, the human being was quite different in Poussin's period," he says. "Before the war there was another kind of humanity, but I'm convinced that something has happened to mankind, something terrible, that Hitler let something diabolic into the atmosphere. There's no longer any culture, if you've noticed."

At 88, Balthus is scythelike, a wraith. Last month he traveled to Paris, but these days he needs help to cross a room. He hears with difficulty, and his eyes are too weak to allow him to draw. He has exhibited only one new painting in the last few years, though he paints every day, he says, and is progressing on works for a retrospective in October at the *Accademia Valentino in Rome*, where he lived in the 1960s and early '70s in the Villa Medici as head of the French Academy.

Balthus is impatient and dismissive with questions about his art. Partly he believes it should speak for itself, but partly he has a dread, not unfounded, that people will ask him about his infatuation with adolescent girls: for although he has done hundreds of works, he is inevitably linked in the public's mind with his paintings of young women in enigmatic and sometimes suggestive poses.

Skeptical and censorious Americans, in particular, tend to regard him as a Humbert Humbert among artists.

"I really don't understand why people see the paintings of girls as *Lolitas*," he volunteers, to get the issue out of the way. "You know why I paint little girls? Because women, even my own daughter, already belong to this present world, to fashion. Little girls are the only creatures today who can be little Poussins." By this, he means figures in the works of Poussin: pure and timeless.

"Some American journalist said he found my work pornographic. What does he mean? Everything now is pornographic. Advertising is pornographic. You see a young woman putting on some beauty product who looks like she's having an orgasm. I've never made anything pornographic." He pauses. "Except perhaps 'The Guitar Lesson.'"

An image from 1934 of a girl naked below the waist and slumped over the knees of a bare-breasted woman, "The Guitar Lesson" is a painting Balthus said was meant to shock and thereby attract attention when he was virtually unknown.

Courbet, whose paintings of lesbians, among other works, alarmed 19th-century viewers, was a big influence on Balthus's work. But the figure of the girl, it has been pointed out, most directly echoes the dead Christ in the 15th-century Avignon Pieta in the Louvre; it's a link that, by its blasphemy, heightens the shock.

"I absolutely never thought of that, never," Balthus protests. "I'm Catholic. I'm a member of the Order of St. Maurice and St. Lazare!"

What does he think of "Lolita," by the way? "It's very Russian," he says of the Nabokov novel, drily and after a moment. "But the subject doesn't interest me."

Balthus is getting tired. We flip through the Louvre book and settle on Georges de La Tour's picture of card players, a subject to which Balthus, in his own paintings of card players, has given an especially weird, malevolent spin.

I mention that the photographer Henri Cartier-Bresson, one of Balthus's oldest friends, once said that he could see a vague link between La Tour and Leger.

This causes Balthus to perk up. "Oh, my God! Leger, whom I knew very well, could never have painted this. He was very stupid. You know Gide once said nothing was more stupid than Leger.

"Art is a metier," Balthus declares, having worked himself once more into a lather. "I don't consider myself an artist. I consider myself a worker. Unfortunately, now this idea seems useless because if you look at modern art you see that now everybody can do everything." He shakes his head in disgust. "And in fact nobody does anything."


Jeff Christensen/Reuters
Fab four? Make that fabulously rich. R.E.M. has a big new contract.

PEOPLE

IS Britain ready for Queen Camilla? Apparently not. **Prince Charles** found himself under attack Monday — just two days before his divorce from **Princess Diana** becomes final — as speculation mounted that he might try to win over a hostile public and marry **Camilla Parker Bowles**. Publication on Sunday of a picture of him spending the weekend with Parker Bowles made it clear that he had no intention of ending his 26-year love affair with her. "It is safe to say that for the time being, and perhaps for several years ahead, such a marriage would not be acceptable," said a constitutional expert, **Lord Blake**. "The real difficulty is that the concept of Queen Camilla will take a long time to seem right or proper to a large part of the nation." Charles said last year when Parker Bowles herself was divorced that he had no intention of marrying again. But on Monday, the William Hill bookmakers slashed the odds on remarriage before the year 2000 to 2-to-1 from 5-to-1.

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The rock band **R.E.M.** has signed a recording contract with Warner Brothers worth a reported $80 million — the biggest contract ever in the music industry. Warner Brothers issued a statement confirming the deal but declined to disclose terms. But the Los Angeles Times, quoting sources familiar with the deal, said the five-album contract was worth $80 million, eclipsing the $70 million record set by the pop singer **Janet Jackson** seven months ago. Formed in 1980, R.E.M. has sold more than 30 million albums.

□

Boris Yeltsin's favorite grandson will be traveling westward this fall, The Times of London reports. **Boris Okulov**, 15, will leave Russia next month to enroll at Millfield School in Somerset, England, where tuition is £15,000 a year. That's $23,000, or 123 million rubles. In his 1994 book, "The View From the Kremlin," Yeltsin wrote of the boy, "He gets into the usual scrapes: a fight, a C in school, playing hooky, rudeness to his grandmother and arguments with his sisters." The headmaster at Millfield, **Christopher Martin**, said he did not know how the Yeltsin family found out about the 61-year-old school, but said, "There have always been people from all sorts of extraordinary backgrounds in the school." Among the current students, The Times reported, is the 12-year-old adopted grandson of **Deng Xiaoping**, China's paramount leader.

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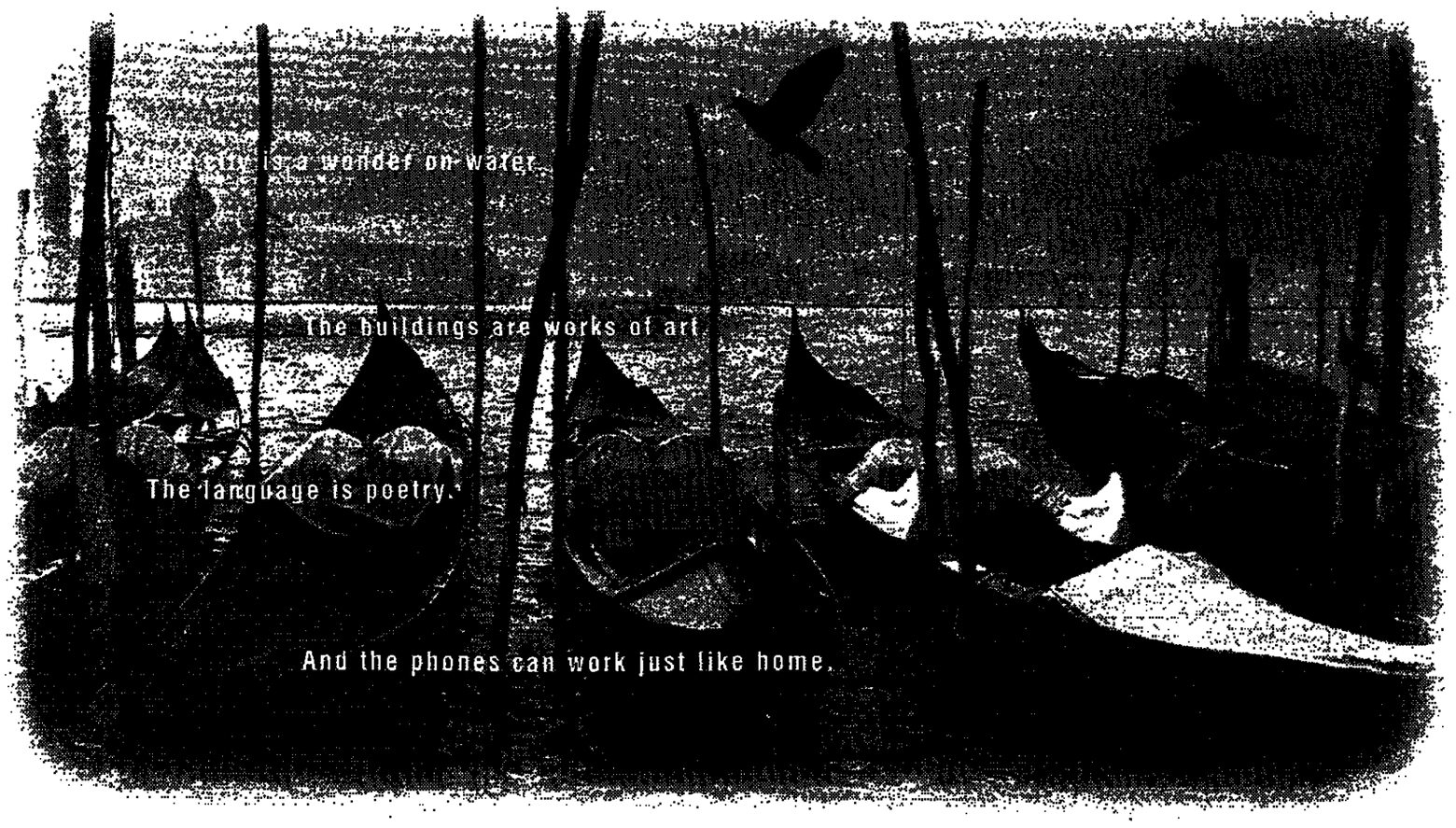
We'll always have — well — not Casablanca. **Michael Jackson's** plans for a Sept. 27 concert in the city have been canceled because Moroccan officials refused to authorize it, a local television station reported. "Fears of gathering more than 100,000 young people could be one of the motives explaining the authorities' decision," a concert organizer told the 2M channel. Jackson, who visited Casablanca on his return from South Africa last month, said he wanted to perform there because it reminded him of the classic Hollywood film of the same name.

□

Barbra Streisand will perform live for the first time in two years at a Sept. 12 fund-raiser for **President Bill Clinton**. The event, at the estate of the supermarket tycoon **Ron Burkle**, will cost attendees $2,500 each. The Eagles and the **Neville Brothers** will also perform. Listed among the party-givers: *Steven Spielberg, David Geffen, Norman Lear*, the MCA chief executive **Lew Wasserman** and Seagram chief executive officer, **Edgar Bronfman**.

□

The conductor **Myung Whun Chung**, who has been tossed around in the political maelstrom of Paris music-making, has found a new and calmer life as a guest performer. This autumn he has American dates as a guest conductor with the Boston Symphony and the Philadelphia Orchestra. The Korean conductor, who was made head of the new Bastille Opera in Paris in 1989, left the post in 1994 in a political fracas, as had his predecessor, **Daniel Barenboim**. Chung, who has not conducted an opera for two years, plans to take up that baton again next year with "Otello" at London's Covent Garden and "Don Carlos" at the Met in New York.



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